



DAILY REPORT

CONTENTS

Latin America

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ARGENTINA

Government Recalls RSA Envoy, Issues Communique	B	1
Caputo Satisfied With UN Resolution on Falklands	B	1
Army Head on National Role, Public Opinion	B	2
[BUENOS AIRES HERALD 6 Aug]		
Air Force Chief Calls for Reconciliation	B	3
[BUENOS AIRES HERALD 11 Aug]		
Institute Releases Inflation, Other Statistics	B	3
[BUENOS AIRES HERALD 7 Aug]		

BOLIVIA

Soviet Ambassador Visits Paz Estenssoro	C	1
University Group Raps U.S. Congressmen's Visit	C	1
Pro-Banzer Army General Removed From Post	C	1
Union Leaders Linked to U.S. Group Face Expulsion	C	2
Communique Reports on Confiscated Cocaine	C	2

BRAZIL

Sarney Departs for 2-Day Visit to Uruguay	D	1
Setubal: No Brazilian Troops to Central America	D	1
[O GLOBO 9 Aug]		
Honduran Envoy Meets With Olavo Setubal	D	2
Itamaraty 'Surprised' at South African Reaction	D	2
Commerce Minister Views Privatization, Exports	D	2
[O GLOBO 8 Aug]		
Minister Refutes Charges on Communications Policy	D	5

CHILE

Pinochet Addresses Closed-Door Army Meeting	E	1
1 Killed in Bombing of Carabineros Building	E	1
Government Cancels Arrest Warrants for Exiles	E	1
Government To Reconsider Exiles' Return	E	2
Interior Ministry Sues ANALISIS Magazine	E	3
Carabineros Under Investigation in APSI Case	E	3

COLOMBIA

President Betancur Issues Appeal to Rebels	F	1
New Liberalism Leader Begins Presidential Campaign	F	1

PARAGUAY

Radio Nanduti Closed for 'Advocating Subversion'	H	1
--	---	---

URUGUAY

Communique Condemns RSA Events, Apartheid	K	1
Brazilian President Arrives on Official Visit	K	1

MEXICO

De la Madrid Views Economic, Structural Renewal	M	1
French Parliamentary Delegation Ends Visit	M	2
Police, Coast Guard Arrest Drug Traffickers	M	3
Colombian Ship, Crew Held	M	3
[EL NACIONAL 6 Jul]		
Cocaine Traffickers Detained	M	3

CENTRAL AMERICA

BELIZE

Former Minister Convicted on Drug Charges	P	1
---	---	---

COSTA RICA

Foreign Ministry Presents Document to Contadora	P	1
[LA NACION 4 Aug]		
Briefs: Official Refugee Data	P	2

EL SALVADOR

D'Aubuisson Says Dialogue Not Solution	P	3
[LA PRENSA GRAFICA 10 Aug]		
Coprefa Officer on Army Operations, Achievements	P	4
FMLN-FDR Leader Rejects Charges by Church	P	5
FMLN Guerrillas Destroy Train Engine in Apopa	P	6
FMLN Guerrillas Ambush Army, National Guard Troops	P	6
[Radio Venceremos]		

GUATEMALA

Army Reports Armed Clashes in El Quiche	P	6
Briefs: Ambassador to Costa Rica	P	7

HONDURAS

Government Says Contadora Meeting Not Possible Now	P	7
Ambassador to Mexico Comments on Foreign Debt	P	8
Bu Giron-Azcona Alliance Negotiations Fail	P	8
Briefs: New Television Station		

NICARAGUA

Tinoco Statement Condemns U.S. 'State Terrorism'	P 9
Government Protest Note to U.S. on Kidnapping	P 9
Tinoco Asks Costa Rica To Arrest Kidnappers	P 10
Disabled Arrive in E. Berlin for Medical Treatment	P 11
Uruguayan Legislator Criticizes U.S. Policy	P 11
Misura Members Accepting Amnesty Benefits	P 11
Government Expropriates Farms for Milk Project	P 12
[ACAN]	
Captured Contra Provides Details on Mission	P 12
COSEP President Bolanos Denies Ties With FDN [ACAN]	P 13
Chamorro Denounces Sandinist Government	P 14
[NOTICIAS ARGENTINAS]	
Exile Group To Present Proposal to Contadora [AFP]	P 15

CUBA

FAR Members, Others Condemn SR-71 'Violation'	Q 1
Castro Offers Anti-Imperialism Support to Garcia	Q 1
[GRANMA 4 Aug]	
Uruguay 'Polemics' Cloud Maneuvers With U.S.	Q 1
Almeida Meets With Guyana's Hoyte, Green	Q 2
Cooperation Agreement Signed With Angolan Brigade	Q 2
Cultural Exchange Pact Signed With Algeria	Q 3
Raul Castro Congratulates FAR Unit on Evaluation	Q 3
Dissident Ricardo Bofill Reportedly Released [AFP]	Q 3
Airport Under Construction in Ciego de Avila	Q 3

CARIBBEAN

EEC Commission Grants Financial Aid During Tour	S 1
---	-----

DOMINICA

Charles Addresses Parliament on Economy 12 Aug	S 1
Presents Budget	S 1
Reviews Development, Growth	S 2
Comments on Loan Ineligibility	S 4

JAMAICA

Seaga Announces Program To Lease State Lands	S 4
--	-----

GUYANA

Hoyte: No 'Fundamental' Policy Changes Expected	T 1
Foreign Dignitaries Attend Burnham Funeral	T 2

GOVERNMENT RECALLS RSA ENVOY, ISSUES COMMUNIQUE

PY130337 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0000 GMT 13 Aug 85

[Text] Buenos Aires, 12 Aug (NAP) -- The Argentine Government today conveyed to the Government of the Republic of South Africa (RSA) its "displeasure" over "the racial discrimination forcefully imposed" by the South African Government, and ordered that the Argentine charge d'affairs in Pretoria be recalled "immediately." The text of the official communique released by the Foreign Ministry reads:

"The Argentine Government has observed with deep concern the wave of violence unleashed in South Africa. The reasons for this violence cannot be explained outside the institutionalized racial discrimination forcefully imposed by the government.

"The Argentine Government has clearly expressed, both through bilateral channels and through public communiques, its growing displeasure over the repressive measures imposed recently as 'emergency measures.'

"The same protests have been expressed over acts of aggression perpetrated against countries neighboring South Africa, which have again prompted Argentine reaction. We have also reaffirmed our repudiation of the obstacles persistently imposed against the Namibian independence process.

"Unfortunately, these expressions of protest have received no response from the South African authorities, while more measures are adopted to perpetuate a regime that has no compassion for the basic aspirations and essential rights of man.

"In view of these circumstances, as a first measure the Argentine Government has decided to immediately recall for consultations its charge d'affairs in Pretoria. At the same time, the South African diplomatic representative to Argentina has been informed about the measure adopted, expressing to him Argentine displeasure over the prevailing situation."

CAPUTO SATISFIED WITH UN RESOLUTION ON FALKLANDS

PY092228 Buenos Aires TELAM in Spanish 1954 GMT 9 Aug 85

[Text] Buenos Aires, 9 Aug (TELAM) -- Foreign Minister Dante Caputo expressed satisfaction today upon learning the results of the vote in the UN Decolonization Committee on a draft resolution submitted by Cuba, Venezuela, and Chile regarding the Malvinas problem. The vote supported the Argentine position.

Caputo told the press that the results of the vote were identical with last year's results, 20 in favor and 4 abstentions, but that there is an important variation in the text of this year's draft resolution.

This year for the first time, according to Caputo, a paragraph referring to the militarization of the islands was included. Therefore, although the number of votes is the same, a paragraph has now been included expressing concern over the militarization of the South Atlantic.

Caputo also pointed out that the draft resolution emphasizes the unilateral British decision to impose an exclusion zone and that no progress has been made on holding negotiations because of British intransigency.

In conclusion, Caputo said the possibility that President Raul Alfonsin will attend the UN General Assembly in September is still under study and that no decision has yet been made.

ARMY HEAD ON NATIONAL ROLE, PUBLIC OPINION

PY091430 Buenos Aires BUENOS AIRES HERALD in English 6 Aug 85 p 3

[Text] (NA-DYN) -- Army Chief of Staff Hector Rios Erenu yesterday said the intervention of the Armed Forces in the event of any internal upheaval would have to be decided by the will of the people as expressed by its elected representatives while 67 percent of that people would favour military action against both external and internal aggression according to an opinion poll published yesterday. [sentence as published]

Rios Erenu also told Radio Continental yesterday that the Army was not in favour of an amnesty law since it was content to allow the courts to decide cases arising out of the anti-terrorist campaign of the late 1970's. He did not feel the Army was on trial nor that there was any unease in the Armed Forces over the issue.

Nor did Rios Erenu think that the recent dismissal of General Horacio Cerda as Army auditor-general was caused by anything more than Cerda's personal error of judgement in submitting a report to the Federal Appeals Court trying nine former junta members without seeking the defence ministry's permission.

He denied the military sector felt isolated from the rest of society, maintaining that the Army's victory against leftwing terrorism was only possible because of "the support of the Argentine people."

On the same radio, however, Rogelio Frigerio, 1983 presidential candidate for the Movement for Integration and Development (MID), said there was unrest in the Armed Forces although he said this extended to all society because of the economic crisis. The government's plan was only making it worse by smothering productive forces, he maintained, adding it was a financial not an economic plan. No country had ever beaten inflation by not expanding production, he pointed out.

Turning to the possibility of a coup, he said the state had not only the right but the duty to quell any armed uprising. He said all excesses should be judged but pointed out that the work of reconstruction in Nazi Germany began shortly after the end of the Nuremberg trials.

Meanwhile Santa Fe Radical Deputy Lusi Caceres said the government would never be so stupid as to smear the Armed Forces.

The poll, which was published by the daily TIEMPO ARGENTINO, showed that half of Argentines consider that the Armed Forces contribute in some degree to the country's welfare while 70 percent were "very much in favour" of the junta trials. Furthermore, 60 percent did not think there was a press campaign to smear the Armed Forces.

The provinces and countryside in general had a better image of the Armed Forces than the cities and capital (the poll covered Cordoba, Rosario, Mendoza, Parana and San Miguel de Tucuman as well as Buenos Aires). Human rights activists were not widely known, with 45 percent never having heard of Mothers of Plaza de Mayo Chairwoman Hebe de Bonafini and 63 percent knowing nothing about Christian Democrat Deputy Augusto Conte. Only 23 and 16 percent respectively had a favourable opinion of each of these.

The poll also questioned the respondents about the Malvinas war. Military incompetence was the cause of the defeat in the opinion of 59 percent. As for negotiations with Britain on the issue, 49 percent thought Argentina should embark on talks without any prior conditions while 45 percent said Argentina should demand the return of the islands before any discussion. Seven percent would prefer to do war again.

AIR FORCE CHIEF CALLS FOR RECONCILIATION

PY112112 Buenos Aires BUENOS AIRES HERALD in English 11 Aug 85 p 13

[Text] (DYN) -- Air Force commander-in-chief Brigadier Horacio Crespo called for reconciliation yesterday, cautioned against "the haughtiness that keeps us from recognizing our past and present errors" which converts "the desired, and now more than ever, essential national unity into an Utopia. We know this does not exclude us," he said.

Speaking on Air Force Day, Crespo urged his men "not to invent ghosts where there are none" and not to let "rumours or slanted stories bent on unspeakable ends influence you adversely."

Crespo emphasized the subordination of the Armed Forces to "political authorities" and made a staunch defence of the development of the aerospace industry, pointing out the "serious problems" the Air Force institution is facing over "its economic situation."

The only speaker at ceremonies which also commemorated the 73rd anniversary of the founding of the Military Aviation School, Crespo defined reconciliation as the attitude of those who "first stop to reflect on their past acts and find they have made mistakes. Then, in an act of fondness, of charity, whether between persons or between members of society, admit their mistakes and decide not to repeat them."

Also on hand were Vice President Victor Martinez, Defence Minister and Undersecretary Roque Carranza, and Horacio Jaunarena, respectively, Joint Chiefs-of-Staff commander Brigadier Teodoro Waldner, Commanders-in-Chief General Hector Rios Erenu (Army), and Admiral Ramon Arosa (Navy), and members from both Houses of Congress.

In a telegram sent to all Air Force units across the country, Crespo recalled the "heroic combat deeds" of men in the Air Force and urged everyone "to maintain and exceed those levels of fighting capacity and professional dedication."

INSTITUTE RELEASES INFLATION, OTHER STATISTICS

PY091717 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 85 p 3

[Text] (NA-DYN) -- The cost of living rose 6.2 percent in July and actually fell 0.9 percent at the wholesale level, the Institute for Statistics and Censuses (INDEC) announced on Monday afternoon. Retail prices have thus risen 329 percent so far this year and wholesale prices 343.7 percent. Inflation over the last twelve months is still in four figures at 1,003.3 percent but is just within the three-figure range at the wholesale level at 999.9 percent. The cost of construction meanwhile fell 5.9 percent to register 809.5 percent over the last 12 months with labour costs dropping 15.3 percent. Clothing only rose 1.8 percent because of falling sales rather than the price freeze while housing, fuel and power rose 3.3 percent and food 4.1 percent. Double-figure inflation was registered by miscellaneous goods and services (15.1 percent), education (13.2 percent) and health care (10.5 percent).

SOVIET AMBASSADOR VISITS PAZ ESTENSSORO

PY122101 La Paz Cadena Panamericana in Spanish 1700 GMT 12 Aug 85

[Text] Soviet Ambassador to Bolivia Arkadiy Glukhov this morning visited President Victor Paz Estenssoro. He extended greetings and congratulations from Mikhail Gorbachev, general secretary of the CPSU Central Committee, and wishes for a successful presidential term. On leaving the presidential palace, Glukhov commented to Radio Panamericana.

[Begin Glukhov recording] I visited the president of the Republic to give him the message of congratulations extended by the Supreme Soviet Presidium on the occasion of his election as the new president. [end recording]

The Soviet ambassador then stated that he also carried a message from his government on world peace.

[Begin recording] I also extended to the president the declaration issued by CPSU Central Committee General Secretary Mikhail Gorbachev on the Soviet Government's unilateral moratorium on all nuclear testing. This is a very important decision as far as the arms race is concerned and represents an example to all nuclear powers, particularly the United States, to adopt effective steps to maintain world peace. [end recording]

UNIVERSITY GROUP RAPS U.S. CONGRESSMEN'S VISIT

PY130212 La Paz Cadena Panamericana in Spanish 0000 GMT 13 Aug 85

[Text] In a communique signed by (Dennis Grumeberg), executive secretary of [word indistinct], the Local University Federation [FUL] has harshly criticized the visit of some U.S. congressmen to the country. In its communique, the FUL states that the government has the obligation to guarantee complete freedom for the cultivation of and trade in coca leaves for the benefit of the peasants, instead of playing the sad role of safeguarding U.S. interests.

PRO-BANZER ARMY GENERAL REMOVED FROM POST

PY122217 Paris AFP in Spanish 2149 GMT 12 Aug 85

[Excerpts] La Paz, 12 Aug (AFP) -- General Mario Vargas Salinas, chief of the 3d Department (Operations) of the Army General Staff, has been removed from his post and his new assignment has yet to be announced, military sources have reported.

According to the sources, Vargas Salinas was removed from this key post for having orchestrated military communiques designed to have General Hugo Banzer Suarez, candidate of the Nationalist Democratic Action, proclaimed president of Bolivia by the Bolivian Congress on 4 August.

It has been reported that General Guillermo Velez Salmon, a strong critic of the Siles Zuazo administration, has already been sworn in as the new chief of the 3d Army Department.

It has also been learned from Armed Forces circles that Vargas Salinas went as far as to plot a coup to prevent Paz Estenssoro's victory.

UNION LEADERS LINKED TO U.S. GROUP FACE EXPULSION

PY122209 La Paz Cadena Panamericana in Spanish 1700 GMT 12 Aug 85

[Excerpt] Three union leaders will be expelled from their unions. They are Felix Espinoza, of the Bolivian Television Workers Unions; Eduardo Vazquez Tapia, the former leader of the Bolivian Radio Workers Union; and Eduardo Rojas Mendoza, current executive member of the Federation of La Paz Radio and Television Workers.

This has been learned from union sources and from the Revolutionary Party of the Nationalist Left [PRIN], which is headed by Juan Lechin Oquendo.

A commission headed by Armando Morales Gomez was created to confirm reports that these leaders have been receiving funds from sources linked to international organizations subordinate to the United States. This commission has already concluded its investigative work. The commission has reported that Espinoza, Vazquez Tapia, and Rojas Mendoza have been found guilty of receiving funds from the U.S. Free Trade Union Organization to organize the National Congress of Bolivian Radio and Television Workers. This is the reason for the proposal to expell them from the union leadership and from the PRIN, the party headed by Lechin Oquendo.

COMMUNIQUE REPORTS ON CONFISCATED COCAINE

PY081249 Madrid EFE in Spanish 0306 GMT 7 Aug 85

[Excerpt] La Paz, 6 Aug (EFE) -- More than 5 tons of cocaine worth \$2.5 billion, that is more than half of the Bolivian foreign debt, were confiscated during the 3-year administration of President Hernan Siles Zuazo. In a communique released today, the Information Ministry states that the drug trade was one of the major problems with which the Siles Zuazo administration had to deal.

SARNEY DEPARTS FOR 2-DAY VISIT TO URUGUAY

PY121247 Madrid EFE in Spanish 1215 GMT 12 Aug 85

[Text] Brasilia, 12 Aug (EFE) -- Brazilian President Jose Sarney turned over power to Ulysses Guimaraes before leaving for Uruguay on a 3-day official visit in response to an invitation received from his Uruguayan counterpart Julio Maria Sanguinetti. The simple ceremony that marked the transfer of power took place at the Brasilia Air Base at 0700 local time (1000 GMT).

This is Sarney's first mission abroad since he took over the presidency on 15 March this year due to the sudden illness of President elect Tancredo Neves and his death on 21 April. Guimaraes is president of the Chamber of Deputies and head of the ruling party, the Brazilian Democratic Mobilization Party, the largest Brazilian political group, to which Neves belonged. The president of the Chamber of Deputies has taken over temporarily, because Brazil does not have a vice president for the time being.

Sarney, together with an entourage of approximately 60 persons among whom is his wife Marley, five ministers and other government officials, will spend 50 hours in Montevideo and return to Brasilia on Wednesday afternoon. The Brazilian presidential plane departed the Brasilia international airport at 0730 local time (1030 GMT) for a trip that is estimated to take 3 and 1/2 hours.

SETUBAL: NO BRAZILIAN TROOPS TO CENTRAL AMERICA

PY121605 Rio de Janeiro O GLOBO in Portuguese 9 Aug 85 p 3

[Text] Brasilia -- Foreign Minister Olavo Setubal has reported that Brazil is unwilling, at least for the time being, to send troops to supervise a neutral zone on the Costa Rican-Nicaraguan border. The minister then explained that the Brazilian Government will act only in the political field of the negotiations for peace in Central America.

The foreign minister even denied the information, given by Honduran presidential envoy Ramon Villedas Bermudez, about an invitation -- made yesterday afternoon during a meeting -- for Brazil to participate in the commissions for checking and controlling the agreements obtained by the Contadora Group. "We did not go down to this type of details," Setubal stated after the meeting with the Honduran official.

The foreign minister explained that he had told Ambassador Villedas that Brazil is waiting for an invitation from the peace-defending Contadora Group to act more effectively on the problem.

In turn, President Sarney wants a more detailed report on the advantages and disadvantages of resuming diplomatic relations with Cuba. Relations with Cuba were severed in 1964. After reading Itamaraty's study of the situation, the president asked other advisory organs for more information.

Before traveling to Bolivia last week, Foreign Minister Olavo Setubal had handed President Sarney the final result of the studies the Itamaraty had been making since April. The document advises the government of the new Republic on the position to be taken toward Fidel Castro's government.

HONDURAN ENVOY MEETS WITH OLAVO SETUBAL

PY091247 Madrid EFE in Spanish 0257 GMT 9 Aug 85

[Excerpts] Brasilia, 8 Aug (EFE) -- Honduras does not want a solution outside the Contadora Group, but it is prepared for an eventual Nicaraguan aggression, Ramon Villedas an envoy of Honduran President Roberto Suazo Cordova, said here today.

Villedas made this comment after meeting with Brazilian Foreign Minister Olavo Setubal to ask for Brazilian support in the peace efforts being made by the Contadora Group. He also said that the U.S. military presence in Honduras is in accordance with bilateral agreements to train the Honduran Armed Forces. He said that there are 125 U.S. advisers in Honduras, while there are 16,000 foreign advisers in Nicaragua.

He accused the Sandinist regime of having several units in its territory made up of Cubans, Palestinians, Vietnamese, Iranians, and other nationalities to strengthen the Sandinist Armed Forces, which are the largest military force in the region.

ITAMARATY 'SURPRISED' AT SOUTH AFRICAN REACTION

PY122335 Brasilia Domestic Service in Portuguese 2200 GMT 12 Aug 85

[Text] Itamaraty has been surprised by South Africa's reaction to the sanctions the Brazilian Government imposed on it.

Acting Foreign Minister Paulo Tarso Flexa de Lima today discussed the issue with South African Ambassador Alex Van Zyl. Flexa de Lima criticized the note released by the ambassador on a sovereign decision made by the Brazilian Government. The ambassador explained that the note reflects the general position the South African Government has adopted against the sanctions imposed by the United Nations and not specifically against the Brazilian decision.

COMMERCE MINISTER VIEWS PRIVATIZATION, EXPORTS

PY102326 Rio de Janeiro O GLOBO in Portuguese 8 Aug 85 p 22

[Interview granted by Industry and Commerce Minister Roberto Gusmao in Brasilia -- no date given]

[Excerpts] O GLOBO: You have recently proposed that Brazilian and U.S. businessmen have direct contacts in order to avoid interference by the governments. How would they make those contacts?

Gusmao: We have to be honest and show ourselves as we really are. If we have a democratic regime and say we are democrats, we must exercise democracy fully. We have to live up to this conviction and responsibility. The same thing applies in the economic area. If we are in favor of privatization of the economy, we must act consistently both inside and outside the government. We support the philosophy of private enterprise, that is, the right to create, produce, sell, and export. This right must be exercised without government interference, without government paternalism, and without government privileges.

In modern democracy, in modern diplomacy, in modern international trade, the government only sets up rules, such as customs barriers, customs fees, customs taxes, and subsidies that are needed by some sectors of industry. This is the function of government. Now, the function of selling and buying must be exercised directly by businessmen. They have to go out and sell their products, create their own sales channels -- the trading companies -- and create their transport channels by air or sea. In my view, the government can be neither a producer nor a seller. Production and sales are functions of private initiative.

O GLOBO: Which sectors should be off limits for state enterprises?

Gusmao: Statism has been excessive in the steelmaking sector. Along with Sidebras [Brazilian Iron and Steel, Inc.] we must retain the best enterprises, those that are profitable, capable of developing their own technology and absorbing foreign technology as Sidebras has done. Today, the Brazilian steelmaking sector has more advanced technology than the Japanese. It was acquired or developed here by highly competent engineers. Then the Brazilian steelmaking sector, which is turning out about 20 million tons per year, can be doubled. Brazil can take this jump, but it cannot depend on the state alone because the state cannot afford to invest. The state does not have resources to pay the costs in the steelmaking sector. If costs are transferred to the private sector, businessmen can reinvest profits, and groups can increase the production of alcohol, for example. State-run enterprises, whose growth is financed by a government suffering from hopeless indebtedness, keep prices low and businesses cannot compete. We then have to privatize this sector at the appropriate time, and do so gradually. There are sectors, however, that must be in the hands of the state.

O GLOBO: What are those sectors?

Gusmao: Petroleum, energy, and collective transport. Nobody can administer a subway, which has to be built and subsidized by the state because it is in the interest of the urban population. It does not make sense to have luxury transport and to have the state involved in it. We have high-priced state luxury air transport companies that have no collective interest. We have to privatize and stimulate competition among private companies in order to bring fares down and to have more efficiency, compliance with schedules, comfort -- things that we do not have in Brazil.

O GLOBO: How do you justify your decision to privatize the Brazilian Coffee Institute (IBC), the Sugar and Alcohol Institute (IAA), and the Brazilian Tourism Enterprise (Embratur)?

Gusmao: Nobody has said IBC, IAA, and Embratur will be deactivated and closed tomorrow. When I took office, I determined that these enterprises should be independently audited, and that the ministry should go through a process to make it more efficient and economical. In this way the Industry and Commerce Ministry (MIC) will become more active, more dynamic, and more flexible. Auditing IBC, IAA, and Embratur is a normal technical procedure that occurs in private enterprise, when mergers, incorporations or sales of companies are considered. You order an audit by competent and independent auditors because internal auditors are subject to suspicion. We thus learned that these enterprises are being operated in an unacceptable manner. There is no manager capable of working the miracle of seriously and rationally administering the chaotic situation that exists. A major problem was discovered in the bookkeeping of the enterprises. If the papers are not right, if the accounts are not balanced, it is impossible to administer an enterprise. Excessive size, idleness, and inefficiency are such that one has to make cuts.

O GLOBO: What can you say about restrictions imposed recently on Brazilian exports and about the increasing protectionism in the world?

Gusmao: Brazil has gained a very important position in the world market. In recent years, our industry has turned toward the export market, foreseeing balance-of-payments needs and penetrations into new markets. The shoe sector has reached a very important position in the U.S. market. But the United States also imports shoes from Taiwan, Spain, and Korea, which has caused concern in the U.S. shoe industry about unemployment. The point is that the U.S. shoe industry did not keep pace with the technology of those countries, which surpassed the U.S. industry both in volume and quality. The U.S. Congress, particularly members of the Democratic Party, became aware of the problem. Protectionist sentiment arose against shoe imports from Brazil and other countries. The same sentiment can also affect alcohol and steel imports, and it already has affected textile imports. This means the U.S. economy, which is an open economy based on free trade, has activated some protectionist mechanisms. This is also somehow connected with the difficulties the U.S. industry faces in penetrating the European Common Market, which is itself protectionist, as are the markets of Japan and other countries. Brazil is also affected by protectionist fever, with legal mechanisms and congressional zeal to protect Brazilian infant industries. The Brazilian information law has provoked a wave of complaints that our country is also developing a protectionist mood. All countries are interested in discussing the question of customs barriers and protectionism in the international market. Itamaraty is carefully watching this question.

O GLOBO: How do you assess your recent trip to the United States to deal with this question?

Gusmao: Regarding Brazilian shoes, we are awaiting the decision of U.S. President Ronald Reagan on the petition by the ITC (International Trade Commission), the organization charged with protecting U.S. producers, requesting government measures to defend U.S. labor and industry. We also noted at the White House that there are demands for protectionist measures. But this is not something directed specifically against Brazil. It is not a request for reprisals against any Brazilian law. It has nothing to do with our negotiations with the IMF or our foreign indebtedness. This is strictly a commercial measure that must be treated specifically. I tried to seek a solution with leaders of those organizations. I hope such a solution will be forthcoming and reasonable. The solution might be in the form of a tax on shoes. It might be a tax that is reduced over a period of 3-5 years, or the status quo might be maintained. It all depends on President Reagan. Another measure, the most unpalatable, might be the establishment of quotas, which would lower our exports by setting an arbitrary ceiling on them.

O GLOBO: Do you see protectionism as an obstacle to countries improving their balance of payments?

Gusmao: We should not mix things up. The Americans are very clear on the question of protectionism and countries' debts with U.S. banks. They clearly say we do not owe a debt to the United States and the United States does not owe a debt to Brazil. We owe U.S. bankers, just as we owe the European bankers even more than we owe U.S. bankers. They say U.S. foreign trade policy is not related to the Brazilian foreign debt. That policy is related to U.S. agricultural and industrial interests. It is wrong to believe the United States must buy from us so we can pay our foreign debt or that we are selling cheaply because we owe to that country. There is no correlation in this.

O GLOBO: How should the question of protectionism be viewed?

Gusmao: We must understand that international harmony must be sought; harmony that responds to the need for countries to develop. The rich countries must see that if they want the developing countries to progress through a democratic process they must offer them economic conditions so that social harmony and democracy can be preserved. Democracy cannot be built when the people are hungry, unemployed, and poor. Democracy can only be developed through a process of equitable distribution of wealth. Democracy stands on two legs: freedom and equality. Policies that protect the large countries, allowing them to import only raw materials or products for their own convenience do not help the development of democracy and the distribution of technological progress throughout the world.

O GLOBO: Are they aware of the need to grow and maintain democracy?

Gusmao: They are conscious of their leadership in the Western world, and believe democracy is the best system for social coexistence in the world. So they try to help, to participate but the economic interests of the U.S. industrialists, merchants, and farmers must be respected, just as we must protect our interests here. The Government of Brazil has the obligation to protect the interests of our industrialists, farmers, exporters. This is a problem of foreign policy that must be looked into with flexibility, not with item-for-item rigidity.

MINISTER REFUTES CHARGES ON COMMUNICATIONS POLICY

PY082254 Brasilia Domestic Service in Portuguese 2200 GMT 6 Aug 85

[From the congressional report]

[Excerpts] Today the Chamber of Deputies questioned Communications Minister Antonio Carlos Magalhaes. The minister referred to the reconsideration of the issuance of operating licenses to radio and television stations and outlined policies to be implemented by his ministry. The minister was questioned by Deputies Cristina Tavares and Jose Eudes. The minister said the large number of operating licenses granted to radio and television stations at the end of the previous government suggested the possibility that some requests may have been granted at the expense of others that had been submitted earlier. Earlier requests are legally entitled to receive earlier consideration.

In this regard, the minister gave figures and cited some cases in which the party receiving the operating license was unknown to the social sectors in its community, despite the fact that all the required legal steps had been taken. In other cases, in which all the legal proceedings were also complied with, problems arose regarding the technical capacity of the parties receiving the permits. Finally, two or more licenses were granted to the same people or group during a short time span -- from 1 October 1984 to 15 March 1985.

In sum, Magalhaes said, the administrative procedure itself was ultimately criticized. Questions were raised not only about the number of licenses offered and the speed with which some of them were issued, but also and especially about the fact that the decision was not left to the government that was about to be inaugurated.

Upon announcing that a report on this matter has been submitted to President Jose Sarney, Magalhaes said a draft decree amending the radio-broadcasting regulations has been prepared. The draft decree contains specific provisions concerning procedures for the issuance of concessions, and licenses for the installation of radio and television stations.

Magalhaes also pointed to difficulties that have been disrupting the normal expansion of Brazilian communications facilities. He said that these difficulties could seriously affect the Brazilian communications structure in the near future. He also mentioned the damage caused to the resources of the National Telecommunications Fund [FNT] since 1975. Magalhaes said that since 1975, the surcharge earmarked for the FNT -- within the framework of the National Development Fund -- has been allotted to other governmental sectors, thus distorting the basic objective of this surcharge and provoking justified anger among customers, many of whom had gone to court to demand that payment of this surcharge -- which they regard as illegal -- be discontinued. Magalhaes expressed concern over an unrealistic policy that has kept adjustment rates for consecutive years below the inflation rate. He said this is preventing investments from yielding adequate profits to meet the actual expansion needs.

After noting that meager budget resources have been allotted to Brazilian Telecommunications, Inc., [Telebras], Magalhaes said the quality and dependability of Telebras services in beginning to show signs of deterioration.

Deputy Christian Tavares said Magalhaes' exposition appeared more like a statement of intent and the new Republic, if it does not want to remain just a rhetorical figure, should implement concrete changes. She added that no rhetoric should be used especially with regard to technological know-how, which will play a basic role in promoting the country's independence. In fact, she said, those enterprises that are involved in telecommunications activities are not Brazilian, for example, Ericsson and Siemens. Meanwhile, she charged, technology developed by our engineers is put aside. Tavares also said those officials who had used their influence to obtain concessions for their benefit have kept their jobs. He mentioned the case of Communications Ministry Secretary General Romulo Furtado, who is now ironically in charge of rescinding those concessions.

Magalhaes denied Tavares' allegations by saying there have been concrete changes in the communications field. It will suffice to say, he said, that up to 1975, all suppliers of equipment for Telebras were foreign companies and today, only 28 percent of these suppliers are not Brazilian companies.

Regarding his aides, Magalhaes said that both Neves and Sarney approved their appointments and all of them are highly competent individuals.

Deputy Jose Eudes said that Magalhaes' statements suggest that the communications policy of previous governments was correct and that this government is simply continuing this policy. He added that the minister failed to explain why television networks lease channels at privileged prices to the detriment of other groups. He also charged that the Brazilian telecommunications system is controlled by representatives of large multinational companies that have been granted exclusive marketing rights through Communications Ministry decrees. Eudes mentioned an agreement that was reportedly made in New York between the Japanese group NEC and businessman Mario Garnero for the purpose of obtaining this reserve.

Magalhaes said he has never met with representatives of the above groups and that he found the Communications Ministry policy to be technically sound but socially unjust.

Deputy Adail Ventorazzo expressed concern for the cancellation of licenses granted by the previous government and asked Magalhaes about the reasons for this action.

Magalhaes said the main reason for these cancellations was the large number of licenses issued at the end of the Figueriedo administration, but made it clear that each case is being considered separately.

PINOCHET ADDRESSES CLOSED-DOOR ARMY MEETING

PY122136 Santiago Radio Chilena in Spanish 1700 GMT 12 Aug 85

[Text] Captain General Augusto Pinochet has presided over an Army meeting held in the Hall of Sessions at the Diego Portales building. The meeting began at 1115 and lasted approximately an hour. No journalists were allowed into the hall because the meeting, which was attended by some 3,000 Santiago Army Garrison members, was held behind closed doors.

President Pinochet was accompanied by Defense Minister Vice Admiral Patricio Carvajal and Army Deputy Commander in Chief Lieutenant General Julio Canessa. The Army band and troops under the command of Major General Enrique Valdez, the Santiago Military Garrison commander, paid tribute to the president.

President Pinochet was the only speaker at the meeting. According to a communique released by the Army Public Relations Department, the president addressed several military issues.

On 8 August President Pinochet presided over a Carabineros meeting attended by generals, commanders, officers, and personnel from that institution as part of a program of meetings the president is holding with personnel from various institutions. It has been reported that on 14 August President Pinochet will hold a similar meeting with personnel from the Santiago Air Force and Navy garrisons.

1 KILLED IN BOMBING OF CARABINEROS BUILDING

PY122125 Paris AFP in Spanish 1356 GMT 12 Aug 85

[Excerpt] Santiago, 12 Aug (AFP) -- Carabineros headquarters has reported that an unknown person who was placing a dynamite charge in a Carabineros building was completely blown up when the device suddenly exploded. The bomb exploded on the night of 11 August in the garden of the institution's museum, located in Santiago's Nunoa District.

An accomplice of the individual and a Carabineros captain were wounded during a shoot-out that followed the explosion. The explosion, which caused a great amount of damage to the museum, vehicles, and neighboring buildings, follows similar attacks that have occurred throughout Chile since a judge accused 14 Carabineros of being involved in the kidnapping and throat-cutting of three opponents of the military regime of President Augusto Pinochet.

GOVERNMENT CANCELS ARREST WARRANTS FOR EXILES

PY101435 Paris AFP in Spanish 0057 GMT 10 Aug 85

[Text] Santiago, 9 Aug (AFP) -- The Chilean military regime today withdrew 32 warrants for the arrest of members of the left-wing opposition that it issued 1 week ago, according to the Interior Ministry. In addition to withdrawing these warrants the Interior Ministry indicated that amendments have been made to current regulations to allow certain exiles to return. The regulations indicate the steps the exiles must take in order to be authorized to return.

Among the 32 opponents that have benefited from the withdrawal of warrants are the Communist leader Jaime Insunza, Dr Fanny Pollarolo, former Valparaiso Mayor Sergio Vuskovic, and labor leader Osvaldo Tello, all of whom are linked to the banned Popular Democratic Movement (MDP). Insunza has been underground since June 1984 when the Supreme Court ruled in favor of a government decree expelling him from the country.

GOVERNMENT TO RECONSIDER EXILES' RETURN

PY101259 Santiago Domestic Service in Spanish 2330 GMT 9 Aug 85

[Text] The government has issued a special regulation to reconsider the situation of exiles. The information was released by the Interior Ministry's legal adviser, Ambrosio Rodriguez, who said that the special regulation has been in effect for 15 days. He also said that possible legal sanctions are being considered against a newspaper that published an entire interview with a top Marxist Chilean leader. Rodriguez announced that the government has already authorized the return of 40 exiles, including 25 lawyers.

Lawyer Rodriguez referred to the application of this special regulation regarding exiles and their return to Chile:

[Begin recording] Over 2 weeks ago the president ordered the Interior Ministry to issue the resolution that has already been communicated to all Chilean diplomats abroad, regulating the reconsideration of appeals regarding transitory Article 24. This means that there is a preestablished procedure through which to present such appeals to the intendancies, governorships, consulates, and Interior Ministry. A deadline has also been established to file this appeal, as well as all the procedural norms to assure the petitioner that his appeal has been duly considered by the authorities. [end recording]

The legal adviser explained that the deadline for filing this appeal is 120 days, and added that the authorities have already allowed the return of 25 lawyers and are studying the situation of others. Rodriguez also announced the cancellation of arrest warrants issued for 32 Communist leaders:

[Begin recording] The position of the government regarding agitators of the Communist Party is well known, but that does not mean disregard for the rights of individuals. This is why the Interior Ministry has canceled the orders for the arrest of some [as heard] issued last Saturday, 3 August. However, efforts to maintain public order will not cease. This includes the cases of some publications and organizations publicized in some important Santiago newspapers which recognized the de facto authority of terrorists who are unwelcome in the country. [end recording]

Regarding the publication of an extensive interview with a top Marxist leader in a newspaper, Rodriguez said that the case is being studied:

[Begin recording] The office of the legal adviser of the Interior Ministry is studying the case and will decide who should take the appropriate measures. [end recording]

Finally, the Interior Ministry's legal adviser said that the measure adopted regarding the exiles is provided for in the law.

INTERIOR MINISTRY SUES ANALISIS MAGAZINE

PY091322 Santiago Radio Chilena in Spanish 2300 GMT 8 Aug 85

[Text] This afternoon the Interior Ministry filed two lawsuits against ANALISIS magazine on charges of alleged violations of the internal security law. This information was released by lawyer Ambrosio Rodriguez, who spoke at the court building. Rodriguez said one of the lawsuits was filed on charges of violating Law No 18,015, which establishes punishments for those who violate state of emergency regulations. The other lawsuit has been filed on charges of violating the internal security law.

[Begin recording] [Rodriguez] The director is legally responsible because of his post. In addition, he is personally responsible for some articles he has written, just as other persons whose statements have been published by the magazine are responsible for what they have said.

[Unidentified reporter] What issue of the magazine is being questioned? Is it the last one...

[Rodriguez, interrupting] No, the fact of the matter is that the ministry has patiently waited in the hope that the magazine would embark on a process of self-criticism and that it would moderate its language. However, since we realize that the magazine has done just the opposite, the ministry decided to file these lawsuits after seven issues of the magazine were allowed to circulate freely. [end recording]

It has been reported that Judge Marco Aurelio Perales Martinez will hear the cases.

CARABINEROS UNDER INVESTIGATION IN APSI CASE

PY101456 Santiago Domestic Service in Spanish 1100 GMT 10 Aug 85

[Excerpts] Carabineros officials have put the officials who arrested Alvaro Hope (Guinez), a photographer for APSI magazine, at the disposal of the courts. Hope was detained by the police and injured.

The Carabineros Public Relations Office has released an official communique on the incident. It says that on 8 Aug at about 1800, Mr Alvaro Hope (Guinez) was detained by Carabineros personnel. The photographer for APSI magazine was caught in the Lo Hermida district while throwing stones at and insulting Carabineros who were on duty controlling violent disorders that were taking place.

The Carabineros communique adds that an internal investigation has been ordered to determine if any administrative rules were broken in the arrest.

PRESIDENT BETANCUR ISSUES APPEAL TO REBELS

PA100429 Bogota Television Service in Spanish 0000 GMT 10 Aug 85

[Text] A guerrilla attack on a police station in Ciudad Jardin in Bogota and a clash between guerrillas and soldiers in Agrado, Huila Department, left four guerrillas dead and one police officer wounded. This occurred as President Belisario Betancur was attending an urgent security council meeting at the Tolemaida Military Base in Melgar. President Betancur said here that the dialogue with the guerrillas has not been broken and he invited all those who are violating the country's legal system to abide by the law.

[Begin Betancur recording] When I said everyone [words indistinct] I also meant those who think they are doing a creative and constructive job disregarding the country's legal system, because our arms are open to them if they abide by the law. Law and peace are not the cause of funerals and mourning. If they abide by the law and wish to participate in the electoral process according to our laws and our Constitution, the government and the military forces will support them. [end recording]

NEW LIBERALISM LEADER BEGINS PRESIDENTIAL CAMPAIGN

PA121414 Buenos Aires REUTER In Spanish 0219 GMT 10 Aug 85

[Text] Bogota, 9 Aug (REUTER) -- The leader of a dissident faction of the Liberal Party of Colombia today became the first candidate to jump into next year's presidential elections arena.

Senator Luis Carlos Galan, the young and handsome leader of the New Liberalism Movement, initiated his campaign with a parade through the streets of Bogota. This was followed by a rally in central Bolivar Square attended by more than 20,000 persons. Galan, 42, ran in the 1982 elections with a center-left platform. He obtained 722,000 votes. Belisario Betancur, of the Conservative Party, won the elections with more than 3 million votes. His term expires in August of next year. Galan's candidacy, which the candidate himself has described as one that goes beyond political party limitations, has reopened a split in the Liberal Party whose top leader, Virgilio Barco, a former Bogota mayor, will be nominated candidate when his party holds a national convention tomorrow.

The conservatives and the liberals have taken turns in the Colombian Government since 1958 as a result of pact that established the rotation of the presidency, a situation that was ratified in 1974 with the approval of a constitutional amendment.

Galan says Colombia needs a third political force to put an end to the voters apathy, an attitude that has been made evident by an absenteeism of between 43 and 67 percent in the past 25 years.

The New Liberalism, which does not have the huge propaganda machinery of the two traditional parties, will be put to a difficult test with the parliamentary March elections 2 months before the Colombian presidential elections. In 1982, the movement surprisingly secured 25 percent of the liberal votes in the parliamentary elections. The liberals obtained a greater number of seats in congress but lost the presidency to Betancur because Galan would not withdraw his candidacy.

The main aspirant for the Conservative Party's nomination as a presidential candidate is Alvaro Gomez, a former minister who was Colombia's ambassador to the United States until last year.

RADIO NANDUTI CLOSED FOR 'ADVOCATING SUBVERSION'

PY100335 Madrid EFE in Spanish 0229 GMT 9 Aug 85

[Text] Asuncion, 9 Aug (AFP) -- The Paraguayan Government today issued a resolution closing down Radio Nanduti, one of the most popular stations in the country, for advocating subversion.

The action is temporary and will go into effect at midnight. Both AM and FM frequencies will be out, according to a resolution by the National Telecommunications Administration (ANTELCO) signed by its director, Colonel Francisco Feliciano Duarte.

ANTELCO justified Nanduti's closure by claiming that the station advocates subversion, sows confusion, and casts doubts on people's honor and institutions' credibility.

The resolution added that Radio Nanduti's broadcasts induce a state of latent moral violence and awaken aggressiveness, thereby putting the station on a collision course with the basic principles of public peace and order.

Furthermore, ANTELCO claimed that no Paraguayan radio station can advocate disobedience of the laws.

Humberto Rubin, owner-director of Radio Nanduti, refuted ANTELCO's charges and said the measure is outrageous and unfair. We do not engage in subversion. Ours is a radio station that maintains permanent and solidary links with the people, Rubin told EFE.

Perhaps we are being punished for doing things for the people. Our job is journalism and we imperil ourselves every day in the name of decency as our own policy, Rubin added.

Rubin also told EFE that after the 10-day suspension, his radio station will return to to the air and continue as before.

Nanduti was closed for 1 month in 1983 on government orders, and Rubin himself was suspended as an announcer on the grounds that he did not have the appropriate license.

COMMUNIQUE CONDEMNS RSA EVENTS, APARTHEID

PY121735 Madrid EFE in Spanish 1536 GMT 11 Aug 85

[Text] Montevideo, 11 Aug (EFE) -- In a communique, the Uruguayan Government has condemned the events taking place in the Republic of South Africa where an increasing number of innocent people are becoming victims of racial violence.

The communique firmly denounces to the public the actions that violate the human rights of the South African people under the apartheid system.

These events ignore the endless appeals of the international community to stop this racist rule, termed by the United Nations a crime against humanity, the communique says.

Uruguay states in the communique its firm determination to strictly follow the guidelines given by the United Nations and its specialized agencies.

In conclusion, it urges the South African Government to give up these practices that impede the South African people from living with dignity and fully exercising the rights established by the Universal Declaration of Human Rights and by all the international agreements that protect these rights.

BRAZILIAN PRESIDENT ARRIVES ON OFFICIAL VISIT

PY121505 Paris AFP in Spanish 1415 GMT 12 Aug 85

[Text] Montevideo, 12 Aug (AFP) -- Brazilian President Jose Sarney arrived in Montevideo this morning on a 50-hour official visit to Uruguay aimed at strengthening bilateral ties and reviewing Latin America's situation, focusing on the foreign debt and the serious conflicts in the region.

Sarney arrived at Carrasco International Airport at 1100 (1400 GMT) in a Brazilian Air Force plane with an entourage of some 70 persons, including 6 ministers and 7 congressmen.

This visit to Uruguay is President Sarney's first trip abroad since he took office in April this year. Sarney was welcomed by his Uruguayan counterpart Julio Maria Sanguinetti, the entire Uruguayan cabinet, and other top officials, and received the honors due his high position.

DE LA MADRID VIEWS ECONOMIC, STRUCTURAL RENEWAL

PA121831 Mexico City XEW Television Network in Spanish 1300 GMT 10 Aug 85

[Speech by President Miguel de la Madrid to members of the National Association of the Processing Industry, on 9 August; place not given -- recorded]

[Excerpt] I wish to point out that the policy we follow right now is not just a defensive policy resulting from the current crisis and difficulties. We are following a policy that seeks a national renewal, stronger nationalism, an attitude that will bring us in a responsible manner to adopt the decisions that can no longer be postponed and construct a more solid, stronger, and more just country. Our policy seeks all this, in addition to surpassing problems in the short term, which is the main objective. We are carrying out policies within a strategy that entails both the economic reorganization in the short term as well as structural changes that the Mexican society and economy require.

I know the quick speed in which things happen and the complexity of the times in which we live increase the uncertainty, lack of orientation, and the doubts. However, I think an ample, sincere dialogue will allow us to explain any doubts, will allow us to clear up questions, and will therefore, allow us to meet our goals. We recently adopted measures that I know have caused great concern among Mexicans. I know that some of these measures have caused great concern among the [word indistinct] itself.

In the first place, I wish to emphasize that the measures we have adopted were already in the National Planning System, both in the [words indistinct] as well as in the programs. We announced that it was necessary to review the (?coverage) of the public administration. We have continued to do so, for a long time, since the beginning of this administration. Listen for more details in the presidential report, and this is not a commercial. [laughter] I wish to emphasize that we have not [words indistinct] these measures.

We also stated from the very start that there is a need for Mexico to review its investments in the international economy, because one of the problems affecting our economic difficulties has been the lack of balance in our foreign trade. We have high protection on imports and low capacity for exports. This led to our foreign debt, whose burden we must now face as a responsible country. We must therefore review our investments in the international economy, and we must do it, among other reasons, because the majority of the countries of the world are doing the same. You know that the more developed countries of the world are working on restructuring their economies. This is being done in the United States, Europe, Japan, and in the socialist world itself, where they are also talking about increasing production, [words indistinct] and fighting corruption.

This is a world which is changing quickly, and Mexico cannot remain standing, scared, inhibited, without adopting strong measures. Of course, the gradual steps we were taking were not enough. We were forced to take measures in various areas. We had to take stronger measures, and we had to accept the challenge, because we will have to present the serious problems to the Mexican people. And we will do this. I am sure that not only the government will do this, but the people as well. We are not seeking a liberalization of the foreign trade [words indistinct] nor do we believe that the liberalization must be accompanied by a change in other aspects. We must change our fiscal policies, we must change our structures, we will have to seek dialogues with the workers and businessmen in order to increase the productivity of our economy. I wish to emphasize that we must cast aside all myths, taboos, prejudices, and vested interests in order to discuss our problems. I know we can do it, because Mexico is a mature and strong country.

I wish to point out that this liberalization of our trade policy does not mean we are lifting the protection over the Mexican economy. We are merely reviewing the protection policy. We want to operate with a tariff system that will be modern and efficient and abandon the system of the previous permits which, although it was justified in the initial stages of our industrialization, has become obsolete and has caused distortions and problems in recent times. In addition to this trade liberalization, to this (?elimination) of the previous permits of importation and changing it for a tariff system, we know very well we will have to manage with great ability the official credits of the tariff system.

We also know well that we will have to promote legislation against [word indistinct] of foreign trade. We also know well that we will have to maintain a realistic and flexible rate of exchange that, with the tariff, will give Mexican industry reasonable protection. I say reasonable, because although it is true we must protect what we have built, we also have a need to recognize that this needs protection. We must also have the intellectual honesty to recognize that there are some things we have done wrong. What we have done wrong does not merit protection. We must protect what has been done well and that which has been improved in order to strengthen the Mexican industrial makeup and therefore the economic strength of the nation.

We must also review our trade relations with foreign countries. We will not adopt hasty actions. However, we must adopt measures in an objective manner, without any prejudices and we must decide if it is better for us to have bilateral agreements in economic matters or to have multilateral agreements. We must decide if it is more advantageous for us to negotiate alone with the large powers or to negotiate in multilateral organizations. This is a position the government wants to adopt after listening to the various sectors of the national economy.

I want everybody to avail themselves of the analysis in an objective responsible manner. I am sure we will achieve it, if we carry out this analysis in a systematic, serious manner. A popular consultation is not demagoguery. The consultation we want to carry out is a calm and deep study of the options and alternatives we have.

I am offering the industrialists an open and permanent dialogue, open doors to discuss problems, in both the short and long term. I want the industrialists to know that the government wants to strengthen a system of work that will increase the trust, not only between the government and the private citizens, but also among all Mexicans, among the industrialists themselves, between the industrialists and the businessmen, between the businessmen and the workers, and among the various sectors of the country. We can do it, and this is the basis of the Mexican democratic system, the basis of the mixed economy system.

FRENCH PARLIAMENTARY DELEGATION ENDS VISIT

FL121750 Mexico City NOTIMEX in Spanish 1355 GMT 12 Aug 85

[Excerpts] Mexico City, 12 Aug (NOTIMEX) -- Mexico's industrial and economic transformation will shortly turn Mexico into an important EEC associate, Louis Mermaz, president of the French National Assembly, has said shortly before leaving for his country. The legislator underscored Mexico's efforts to encourage production and convert raw materials into goods necessary for industry.

Likewise, Mermaz announced the possibility that parliamentary member groups from the two countries will meet every two years to discuss bilateral relations.

POLICE, COAST GUARD ARREST DRUG TRAFFICKERS

Colombian Ship, Crew Held

PA121422 Mexico City EL NACIONAL in Spanish 6 Jul 85 p 6

[By Jose Luis Aguilar V.]

[Text] Nine Colombian drug traffickers dropped approximately 22 tons of marijuana overboard when they were surprised by the Mexican naval authorities off the Quintana Roo coasts. The Navy Secretariat reported that the Colombians were onboard the Erika Patricia fishing vessel. They were surprised by the Halcon GH-05 Othon P. Blanco coast guard vessel who was on a routine surveillance off the Quintana Roo coasts.

The vessel and the crew was taken to the port of San Miguel on the Island of Cozumel. The crew is made up of the following: Jose Torres, Ciro Uriel, Orlando Rodriguez, Abel Cauch, Sami Lancuesta, Miguel Ramos, Luis Felipe Vergara, Jose Licon, and Jorge Bardan.

In view of the suspicious attitude of the Colombians at the port, the semi-empty hold of the ship was again inspected. Marijuana seeds were then found on the floor. The authorities then intensified the interrogation of the arrested men. They confessed that they had, in fact, left the Colombian port of Bolivar with a cargo of 650 bundles, each with 35 kilos of marijuana, totalling 22 tons and 750 kilos [weights as published] of marijuana.

In view of this, the Navy General Staff ordered a search of the area, and 62 bundles were recovered when they were washed on to the beach. The vessel and the crew have been turned over to the corresponding authorities, while the search for the rest of the drugs continues.

Cocaine Traffickers Detained

FL101630 Mexico City NOTIMEX in Spanish 1635 GMT 9 Aug 85

[Text] Mexico City, 9 Aug (NOTIMEX) -- Commandant of the Federal Judicial Police (PJF) Ramon Casas Alvarez has said a band of Colombian narcotics traffickers was detained at the Mexico City International Airport when they tried to smuggle pure cocaine into the country.

A group of PJF agents detained the South Americans. Luis Eduarso Salazar Gonzalez had 117 capsules, Omar Agudelo Perez 98, Jose Valencia Campos 72, and Jesus Mariz Xapata Medina had 58 capsules. They all had the capsules in their stomachs.

The cocaine they were bringing into the country weighs 1 kg 180 grams and has a black market value exceeding \$1 million.

The four Colombians arrived yesterday on flight 502 of Aeropanama from Bogota. Medical assistance was requested to locate the drugs they had swallowed. The court detainees remain at the disposition of the Mexican attorney general.

BELIZEFORMER MINISTER CONVICTED ON DRUG CHARGES

FL081910 Bridgetown CANA in English 1606 GMT 8 Aug 85

[Text] Belmopan, Belize, Aug 8, CANA -- Former energy and communications minister in Belize, Elijio Joe Briceno, has been convicted by a court in Wilmington, North Carolina, on nine counts of conspiring to import cocaine and marijuana into the United States, it was announced here today.

Briceno, the third Caribbean politician to be convicted on drugs charges in the United States in a month, was nabbed by police and FBI agents at a Miami hotel on Easter Monday while trying to tie up a drug deal with undercover FBI agents. The former minister will be sentenced on September 9. The maximum penalty is life imprisonment.

Former chief minister of the British-ruled Turks and Caicos islands, Norman Saunders, and Stafford Missick, the former commerce minister of the colony, were convicted by a Miami court last month on drugs charges. They will be sentenced on September 6.

Briceno, who was a minister in the former George Price government, has been locked away ever since his arrest, having failed to come up with a bond of U.S. 225,000 dollars demanded by the court for his conditional release.

COSTA RICAFOREIGN MINISTRY PRESENTS DOCUMENT TO CONTADORA

PA121516 San Jose LA NACION in Spanish 4 Aug 85 p 16 A

[Document presented to the Contadora Group deputy foreign ministers by the Costa Rican Foreign Ministry entitled: "The Immediate Tasks Necessary To Achieve the Prompt Implementation of the Contadora Document" on 3 August; place not given]

[Text] The Costa Rican Foreign Ministry wishes to express its concern over the slowness of the work being done in connection with the sensitive negotiations required by the document. This ministry perfectly understands that the complex final draft of the document in itself will not permit the signing of the document at short term. In this regard, and in a summarized manner, we wish to bring the following issues to the Contadora Group for its consideration and study:

1. An important part of the document remains pending. This important part should be dealt with as a whole at a single meeting.
2. Once the document has been completed and approved by the five Central American nations, the problem begins.
3. We believe that while the document is being drafted, two or three commissions should be appointed with the exclusive duties of studying and presenting suggestions regarding the constitutional aspects of those provisions within the document that will be temporarily implemented. This is a very serious matter that calls for prompt attention simultaneously with the negotiations for the drafting of the final document. The other commissions will fulfill the functions described in the following paragraphs.

4. We assume that the document will retain the provision that states that within 90 days following the signing of the document, an inventory of all weapons and number of soldiers will be presented, the negotiations to determine their limits will be carried out, and then a reduction of weapons will begin. All this must be done within that anguishing deadline. It is this ministry's feelings that this would create very serious problems from the practical viewpoint. It is impossible to guarantee a negotiation of this kind in 90 days; there are too many political aspects involved. This Foreign Ministry feels that simultaneously with the work and negotiations mentioned above, the military experts of each nation must begin to work on these areas so that by the time the final draft of the document is ready for signature, most of the delicate process of military negotiation will have been completed and the 90-day deadline will not be so anguishing.

5. To sign the document immediately after it has been approved, or within a deadline not longer than 6 months from today, it is necessary to negotiate and simultaneously select the countries that will participate in the mechanisms of verification and control. By doing this, part of the work will be done and signing the document will not be delayed.

6. While this negotiation with participating countries is under way, another group must deal exclusively with budget and financing issues, without which it would be extremely difficult to begin the work. Sources of financing must be identified and all agreements for these funds must be completed in time for the document to begin fulfilling its objectives the minute it is signed.

7. In addition to the above, it is logical to assume that when the document is signed, the necessary physical structures, such as facilities, offices, dorms, camps, and so forth, should already exist, and the support personnel from each country should be ready to begin work. Likewise, the Latin American secretary general should have been elected by them, and he should have his initial personnel and headquarters. All these conditions should be negotiated with and among the Central American countries.

8. Although the previous prerequisites may seem formidable, they can be met with goodwill from the parties involved. However, the goal will obviously not be achieved through the current system of 2-3 day meetings at 4-6 week intervals. Therefore, we insist again on the Costa Rican proposal expressed to His Excellency Bernardo Sepulveda, Mexican foreign relations secretary, in the sense that a permanent committee of plenipotentiaries be created with the necessary members and advisers, who will meet for longer periods to analyze and resolve the points we have mentioned.

9. This Foreign Ministry also considers it extremely important to reiterate its interest in preserving the final act of the spirit and principles contained in the 21 objectives and in the documents of norms for implementation and enforcement of those objectives. The Foreign Ministry gives special emphasis to the political objectives related to the citizens' civil and political rights. The Costa Rican Government feels that as long as segments of the Central American population cannot return to their homeland or to places of permanent residence, the problems of subversion, armed attacks, and rebel movements will continue indefinitely. In our opinion, this is axiomatic. Therefore, we would like to especially emphasize the importance of maintaining intact the precepts and commitments in the political field, including those of national reconciliation, as the most effective means to achieve peace in the area and to eradicate the subversive movements.

BRIEFS

OFFICIAL REFUGEE DATA -- According to statistics from the Deptment of Immigration, there are appeoximately 21,000 officially registered refugees in Costa Rica. Of these, 12,489 are Nicaraguans, 6,119 Salvadorans, and 2,395 Cubans. However, there are 200,000 undocumented foreigners in Costa Rica. Most of them are Nicaraguans and Salvadorans.
[Summary] [San Jose LA REPUBLICA in Spanish 23 Jul 85 p 6 PA]

EL SALVADORD'AUBUISSON SAYS DIALOGUE NOT SOLUTION

PA121527 San Salvador LA PRENSA GRAFICA in Spanish 10 Aug 85 pp 4, 21

[Text] The government-rebel unilateral dialogue is not a solution because the national problem can only be solved through the democratization process at the polls. With due respect to the Catholic Church, as long as the rebels try to gain power through violence, the dialogue will not be the solution.

The above statement was made yesterday by Republican Nationalist Alliance [ARENA] Deputy Major Roberto D'Aubuisson Arrieta in commenting on some concepts of the collective pastoral letter known as "Reconciliation and Peace."

I realize the church intends to mediate in this conflict, but as a party we believe the dialogue is not the solution, especially the unilateral dialogue. How can there be a solution between the government and the left when we actually constitute the active forces in the country? In order to find a solution, there must be a true, broad national dialogue, a national unity.

I am sure that a new round of the so-called dialogue will be another setback like those in La Palma and Ayagualo which only were a "political show," D'Aubuisson pointed out. The aim of the guerrillas was evident at Tenancingo where Msgr Rosas Chavez himself accused the rebels of failing to comply with the "small pact" they made during the Tenancingo visit.

Additional evidence was the resports of subversion when its leaders announced a change in their starategy and that now they will fight in small groups, that they will begin the urban struggle. That clearly shows that they have no intention of reaching an understanding, he noted.

With threats or pressures from the armed groups, it is not advisable to hold talks. I firmly maintain that the dialogue is not the solution, and if anything is accepted based on a threat, the blackmail will become permanent. We have the experience of Colombia where a group negotiated and the other said no, and the big problem became evident as violence continued.

It is false that the Armed Forces bombed towns in our country, said Major D'Aubuisson. The claims of the guerrillas through their clandestine station are all lies, a part of their farce. Their claims that they will stop harassing the economic program are also false. That is one of the strategies of the guerrillas.

In addition, comments about the democratization of the process are only pretty words because a war is a war. Regarding the claims on "U.S. intervention," I can assure you that U.S. aid to El Salvador is not intervention, but aid in view of the Marxist-Leninist aggression being carried out by the guerrillas with aid from Cuba, the USSR, and Nicaragua. Besides, they are guided by a Marxist ideology.

We feel that the unilateral dialogue between the government and the guerrillas is not the solution. The true solution is the incorporation of these armed groups into the country's democratization process. That is why the parties that have lived in this process deserve respect and attention for our recommendations, because we are within the law while the FMLN is antidemocratic. They only want to gain power through armed actions because they fear the votes that they know they do not have, D'Aubuisson concluded.

COPREFA OFFICER ON ARMY OPERATIONS, ACHIEVEMENTS

PA120431 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 10 Aug 85

[Interview with Colonel Carlos (Armando) Aviles, official spokesman of the Armed Forces Press Committee, Coprefa, by unidentified reporter; date and place not given -- recorded]

[Excerpt] [Reporter] Colonel, regarding the nationwide operations plan, do you feel that you have stopped or made enough efforts to stamp out the guerrillas so as to keep them from remaining concentrated in various areas in Morazan Department where they previously were?

[Aviles] Yes. Definitively, the guerrillas have lost almost all of the control they had 3-4 years ago. At this moment the Armed Forces are on the offensive. This has been demonstrated in the last operations, during which they have reached the most remote areas of the country, circulating without any problem.

[Reporter] Do you know if the High Command has met to make changes in its tactics and strategy?

[Aviles] As stated by General Blandon, chairman of the Joint Chiefs of Staff, during his last news conference, the General Staff is continuously making plans to adjust, as you said, the tactics and strategy to developments.

[Reporter] What is the Armed Forces' view about their relations with the people?

[Aviles] Well, it is quite obvious; facts speak for themselves. In practice, we can see how the people believe in their Armed Forces more and more every day. They have visibly supported us with regard to the various situations that have arisen in the country's various areas. We think that this has been achieved because of the increasing professionalism of the Armed Forces.

[Reporter] Colonel, to conclude, Radio Venceremos has previously accused the Army of bombing civilian towns, like Ocotal in Chalatenango Department. What is the Armed Forces' position in this regard? Do you make an analysis before bombing in such cases?

[Aviles] Please remember one thing: They are trying everything possible to misinform about or discredit the Armed Forces. This is because the Armed Forces are truly hitting them where it hurts. Actually, as I said at the beginning, the Armed Forces are trying to carry out all operations in a professional manner. As for the bombings, these are regulated by the Joint Chiefs of Staff on the basis of rules. When requests are made to bomb areas, it analyzes the situation on the basis of need, location, and facts. Bombings are authorized or rejected on this basis.

The Armed Forces have tried to find ways to avoid bombing areas where the civilian population may be endangered. For this reason, I can fully assure you that the bombings or air support provided by the Air Force in the latest operations have been coordinated in a manner that avoids endangering civilians or civilian communities.

[Reporter] Colonel, we were forgetting this: Several newsmen have hinted, or reported, that in Chalatenango Department they find it difficult to gain access to towns in which there is trouble.

Isn't the High Command looking for an adequate means to grant safe-conduct passes to newsmen to allow them to enter these areas without problems, since a newsman's duty is to go to any areas where he thinks he can obtain news reports?

[Aviles] This question is quite interesting. You must remember that part of the role of the Armed Forces in troubled areas is to delimit them in order to safeguard the physical integrity of noncombatants. We are looking for an adequate mechanism to provide more protection to newsmen and to allow them to fulfill their mission of reporting on activities in El Salvador to the people and to the world.

Now then, when we talk about cordoning off an area we are talking about a sensitive issue because, generally, many times the lives of reporters and civilians who enter the area are at risk. However, we are conscious of the problem and will try to find a more flexible mechanism to allow you to comply with your duties as reporters.

[Reporter] Up to now, have you been unable to analyze or find some mechanism that would allow you to grant reporters a degree of access? For example, war correspondents have the right to remain in those areas, whether or not fighting is taking place. They know how to maintain the due [word indistinct] and know the field. We would like to know about this, too.

[Aviles] Yes, that is so. One of our plans is to meet with the media soon in order to find an adequate mechanism to facilitate your work.

FMLN-FDR LEADER REJECTS CHARGES BY CHURCH

PAL12229 Madrid EFE in Spanish 1937 GMT 9 Aug 85

[Text] Mexico City, 9 Aug (EFE) -- The resumption of the dialogue between the government and the Salvadoran political-guerrilla opposition depends on President Jose Napoleon Duarte. This was asserted to EFE today by an FMLN-FDR source. Meanwhile, yesterday the Salvadoran Catholic Church made an appeal in that country's capital for a continuation of the dialogue, but at the same time accused the guerrilla forces of being responsible for the difficulties in continuing the talks with the government.

Hector Oqueli, member of the FMLN-FDR Political Commission, said that the churchmen have pointed out the existence of political and ideological issues behind the dialogue and that all that is happening in this regard can be blamed on the control of national (Salvadoran) politics by the Army and the oligarchy. He added that the church has proof of the responsible manner in which the members of the FMLN-FDR have behaved in the search for a dialogue and a negotiated solution to the conflict. Oqueli noted that the war in El Salvador has resulted in 50,000 deaths and that there is an apparent tendency to overlook the official terrorism. Basically, there is a war situation in El Salvador: The death squads have not disappeared, and the current government has been unable to implement a policy to solve the social and economic problems, he noted.

Regarding the position of the FMLN-FDR on the pastoral letter, Oqueli said that a response will probably be issued soon, but added that he hopes it will not become a tactical letter. He remarked that the Salvadoran political-guerrilla opposition wishes the church to fulfill its role of mediator in the dialogue with the government. Oqueli asserted that it is the Salvadoran Government that has resorted to a tactical dialogue, and so it was a surprise when the church used a quote from Pope John Paul II to assert that it is the opposition that is resorting to this means.

The church document says, among other things, that the current Salvadoran Government is a constitutional government born out of a democratic process supported by a massive turnout of voters in the elections, whereas the FDR-FMLN coalition cannot substantiate its claim that it represents the people. Regarding this point, Oqueli said that the representativity of the political-guerrilla opposition does not have to be proven. If it lacked popular support, the civil war in El Salvador could not have continued and developed over so many years.

Regarding elections, Oqueli said that elections have always been held in El Salvador and there has been a massive voter turnout in all of them, but that does not mean they have been referendums in favor of the military governments, the oligarchic minorities, or alleged democratic processes. He added that on the one hand, there is the responsibility of the Duarte administration to resume the dialogue, and on the other there is the U.S. policy, which is blocking the search for a negotiated solution of the conflict in Central America through the military support to El Salvador and the economic assistance to the Nicaraguan counterrevolutionaries. The dialogue in El Salvador has been stalemated since late 1984 after two meetings -- one in La Palma on 15 October and the other in Ayagualo on 30 November.

FMLN GUERRILLAS DESTROY TRAIN ENGINE IN APOPA

PA111650 Panama City ACAN in Spanish 1625 GMT 11 Aug 85

[Text] San Salvador, 11 Aug (ACAN-EFE) -- Military sources reported today that last night the Salvadoran guerrillas derailed a cargo train with more than 20 wagons in Apopa jurisdiction, 12 km north of San Salvador, without injuring anyone. A spokesman of the military command in Apopa told ACAN-EFE that the attack took place in La Fortuna neighborhood, where a Claymore mine placed by the rebels exploded as the train was passing by. The source added that the cargo train was transporting merchandise and construction material from Santa Ana, in the western part of the country, to San Salvador. The military spokesman said that the engine was completely destroyed.

FMLN GUERRILLAS AMBUSH ARMY, NATIONAL GUARD TROOPS

PA121918 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Aug 85

[Text] On Saturday, 10 August, FMLN guerrilla units ambushed Army and National Guard troops on the Pan American Highway near the Santa Anita substation and the CIDA [expansion unknown] warehouses. The National Guard and Army troops were traveling from the 15 September Dam towards Mercedes Umana. In this action, the ambushed troops sustained 15 casualties: eight dead and six wounded [figures as heard], mostly national guardsmen. After this successful guerrilla ambush on the Pan American Highway, the High Command mobilized 5th Infantry Brigade troops and helicopters to evacuate the large number of casualties. The dictatorship's troops sustained 15 casualties on the Pan American Highway.

GUATEMALA

ARMY REPORTS ARMED CLASHES IN EL QUICHE

PA100122 Panama City ACAN in Spanish 1918 GMT 9 Aug 85

[Text] Guatemala, 9 Aug (ACAN-EFE) -- Six guerrillas and three soldiers were killed in two armed clashes within the past few hours in El Quiche Department west of the capital, the Guatemalan Army reported today.

An Armed Forces communique issued today states that the strongest clash took place in Xenaculeu village, Chajul municipality, where a military patrol clashed with a rebel group. The military report explains that during the armed conflict five subversives and three soldiers were killed, but it did not specify the number of wounded forces on either side.

The other clash took place within the Xalbal jurisdiction, Uspantan municipality, where the Guatemalan Army discovered guerrilla "caches" and camps. In this clash one rebel was killed, while the rest of the leftist group fled to the mountains, the military report explains. The communique adds that the Armed Forces is carrying out a large-scale operation in the region to find the guerrillas, but the results of the operation are not yet known.

Meanwhile, Ramon Zelada Carrillo, official spokesman for the Guatemalan military government, said upon commenting on the Army-guerrilla clashes that the subversives' periodic actions are part of the routine the country faces, especially when prominent personages are visiting. These clashes took place while the deputy foreign ministers of the Contadora Group, comprised of Mexico, Colombia, Venezuela, and Panama, were visiting Guatemala, Zelada explained. "The subversives," said Zelada, "are trying to demonstrate that they are still operating. The government is working to annihilate subversion in the country."

BRIEFS

AMBASSADOR TO COSTA RICA -- The government has appointed Mario Marroquin Najera as ambassador to the Republic of Costa Rica. [Summary] [Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 9 Aug 85 PA]

HONDURAS

GOVERNMENT SAYS CONTADORA MEETING NOT POSSIBLE NOW

PA130152 Panama City ACAN in Spanish 0125 MGT 13 Aug 85

[Text] Tegucigalpa, 12 Aug (ACAN-EFE) -- The Honduran Government announced today that the Contadora Group believes that "the conditions do not exist to convoke a meeting of plenipotentiaries of Central America." These meetings of plenipotentiary representatives have served to complete the drafting of the Contadora Document for Peace and Cooperation in the region, proposed by the peacemaking group 2 years ago.

In a communique released this afternoon the Honduran Foreign Secretariat announced that the Contadora deputy foreign ministers who visited Tegucigalpa on 5 August, believe that "the circumstances that paralyzed the last meeting of Central American plenipotentiaries in Panama last 18 June have not been overcome and, therefore, it is not possible to convoke another one." The last meeting of plenipotentiaries was paralyzed because in the opinion of the Sandinist diplomats, the agenda should include an analysis of Nicaraguan-U.S. relations, which the rest of the Central American delegates rejected.

The Honduran Government reiterated that politically, materially, and morally it supports the Contadora peacekeeping process and that it is willing to return to the negotiating table in the forum of plenipotentiaries when the group, composed of Mexico, Panama, Venezuela, and Colombia, so deems it. The Honduran position in the Contadora Group peace negotiations is usually similar that of El Salvador and Costa Rica.

The deputy foreign ministers of Costa Rica, El Salvador, and Honduras met last 1 August in Tegucigalpa to define their stand regarding the visit of the deputy foreign ministers of the Contadora Group, who began a tour of the area on 3 August.

AMBASSADOR TO MEXICO COMMENTS ON FOREIGN DEBT

FL121653 Mexico City NOTIMEX in Spanish 1555 GMT 12 Aug 85

[Excerpt] Mexico City, Aug 12 (NOTIMEX) -- Ricardo Pineda, Honduran ambassador to Mexico, has said mechanisms are needed for debtor countries as well as for creditor countries to deal with the foreign debt and avoid negative consequences in the future.

He explained that in Central America alone the debt amounts to over \$10.6 billion. We must remember that if the United States has not been able to solve its deficit problem, we who are trying to consolidate our development are in a worse situation.

The diplomat made a call for creditor countries to understand that no one is refusing to pay the debt; however, it is also important to understand that Latin America has been seriously hurt by the established demands and confrontations could begin in the near future as a result. This would cause worse international conflicts.

BU GIRON-AZCONA ALLIANCE NEGOTIATIONS FAIL

PA121835 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 9 Aug 85

[Excerpt] It has been confirmed that the negotiations between the Azcona-ALIPO [Jose Azcona del Hoyo-People's Liberal Alliance] coalition and the group led by Efraim Bu Giron have failed. Presidential candidate Efraim Bu Giron stated that the talks with Azcona del Hoyo were definitely broken at 2220 on Wednesday during a political dinner at Tegucigalpa's La Ronda Hotel.

We were unable to reach an agreement. Azcona's group has already registered its list of supporters with the citizens registry. We will follow suit during the next few days, Bu Giron told the press, adding that his group has gained many supporters.

The president of the National Congress had no choice but to admit the failure of the talks after Elmer Enamorado, his faction's national campaign chief, stated during the speech he delivered at the dinner that the negotiations were not going well.

Meanwhile, Bu Giron and his followers have said they will retaliate against the Azcona del Hoyo-ALIPO coalition for the humiliation inflicted upon them because they were offered trash and bones at the negotiations. They also stated that they will declare a war with no quarter against Azcona's presidential aspirations, either through the National Congress or the ruling Liberal faction.

BRIEFS

NEW TELEVISION STATION -- San Pedro Sula -- A new television station, Telecadena 7 y 4, has been on the air since Sunday, 28 July. It is owned by Centroamericana de Television, S. A. (Centel). The new station's programs will be seen over Channel 7 in the Tegucigalpa area and over Channel 4 in the Sula Valley area. Jose Rafael Ferrari is the chairman of the Centel Board of Directors. [Summary] [Tegucigalpa EL HERALDO in Spanish 29 Jul 85 p 4 PA]

NICARAGUATINOCO STATEMENT CONDEMNS U.S. 'STATE TERRORISM'

PA122102 Managua Radio Sandino in Spanish 1930 GMT 12 Aug 85

[Statement by Acting Foreign Minister Victor Tinoco; date and place not given -- live or recorded]

[Text] We have felt U.S. pressure to prevent the idea of creating a demilitarized zone from prospering. This is very serious, because it only augurs more tension for the Costa Rica-Nicaraguan border region, shows that the United States is continuing with its policy aimed at confronting and destroying the Nicaraguan revolution, and demonstrates that the U.S. policy of terrorism basically continues.

We reiterate that the United States is currently implementing a policy of state terrorism against Nicaragua. We think that this policy of state terrorism is politically wrong, and this can be legally proven. One does not have to be an expert lawyer to draw the legal conclusion that the U.S. Government is politically and morally responsible for the actions of state terrorism going on in Nicaragua. We do not have to demonstrate that the United States is financing the counterrevolutionary forces, because it has been admitted, and it is an official policy. It is not necessary to be very intelligent to demonstrate that the contras are systematically implementing terrorism. Therefore, in the legal field, we have gone to the International Court of Justice, and we have demonstrated that the United States is responsible for the current situation in Nicaragua, that the United States is responsible for the policy of systematic terrorism against the Nicaraguan population.

Because the U.S. is morally and legally independent, it has assumed the easiest policy, which is simply to flagrantly ignore the authority of the International Court of Justice. The United States has ignored the Court, the international instrument that it has used more than any other country to settle its disputes with other countries. However, in the case of Nicaragua, when the U.S. guilt in this policy of war and terrorism against Nicaragua is undeniable, the United States has simply decided to ignore the International Court of Justice.

However, the Court will have to make a decision on this issue in the next few weeks, after following the proper procedures, and we hope that this will help to demonstrate not only the immorality of this policy of terrorism against Nicaragua, but also its illegality, and the need to put an end to this policy for the sake of peace. With this we have tried to clearly summarize the position that Nicaragua is trying to assume, the U.S. reaction to this situation, and therefore, the difficulties faced by the process of peace and negotiation.

GOVERNMENT PROTEST NOTE TO U.S. ON KIDNAPPING

PA122103 Managua Radio Sandino in Spanish 1949 GMT 12 Aug 85

[Text of "letter" sent by Acting Foreign Minister Victor Hugo Tinoco to U.S. Secretary of State George Shultz -- read by announcer]

[Text] Mr Secretary of State, recently the Nicaraguan Government received a request from the Permanent Christian Action for Peace group for authorization to sail the San Juan River on a peace mission.

The government approved the request but not before cautioning the group about the risks that this gesture of Christian solidarity implied because of the presence of mercenary groups in Costa Rican territory.

After the sailing on the San Juan River was announced, elements of the Democratic Revolutionary Alliance [ARDE], a terrorist organization, threatened from San Jose, Costa Rica, to fire at the Permanent Christian Action for Peace group. In spite of this, the U.S. Christians maintained their decision to carry out their peace mission.

On 7 August, at approximately 0745, representatives of the Christian group in Managua who had been holding permanent radio contact with the group sailing on the San Juan River informed our government that mercenary groups in Costa Rican territory were firing at them and forcing them into Costa Rican territory in the Machuca region, 17 km west of La Penca. Forty-seven persons were kidnapped. This included 29 U.S. citizens of the Permanent Christian Action for Peace group and 18 Nicaraguan and foreign reporters who were covering the Christian mission. The U.S. citizens confirmed on 8 August, the day they were released, that they had been kidnapped by ARDE elements led by chieftain (Noel Bolinche Quintanilla), a well-known member of that organization.

All these events that have taken place in Costa Rican territory have served to confirm once again the terrorist nature of the mercenary groups being financed by the U.S. Government. This kidnapping has taken place shortly after the U.S. Congress approval of \$27 million to continue the illegal war against Nicaragua.

The Nicaraguan Government, considering that the U.S. Government through the CIA is the party most responsible for the kidnapping of these U.S. citizens and of the journalists accompanying them, hereby presents its most formal and strong protest. The Nicaraguan Government once again calls on the U.S. authorities to act in a way that will be coherent with the U.S. antiterrorist campaign, ending U.S. support for all these mercenary organizations whose objectives have been and still are to promote terrorism against the Nicaraguan population.

TINOCO ASKS COSTA RICA TO ARREST KIDNAPPERS

PA122022 Managua Radio Sandino in Spanish 1953 GMT 12 Aug 85

[Letter from Acting Foreign Minister Victor Hugo Tinoco to Costa Rican Foreign Minister Carlos Jose Gutierrez; date not given -- read by announcer]

[Text] Mr Minister:

I address Your Excellency with regard to the recent kidnapping of 47 people traveling on the San Juan River on a peace mission, including 29 U.S. nationals, members of the group Permanent Christian Action for Peace, and 18 foreign and Nicaraguan newsmen. On 7 August the Nicaraguan Government, through an official communique, reported that at 0745 that morning a group of the ARDE mercenary forces kidnapped the Christian group, forcing it to enter the Costa Rican territory. In that communique our government called on the Costa Rican Government to take action to free the hostages and capture the mercenaries involved in the abduction.

On 8 August the hostages were freed by the mercenaries and upon their return, as the groups sailed down the San Juan River, they were intercepted by troops of the Costa Rican Civil Guard and taken to the Las Tiricias observation point in violation of Nicaraguan sovereignty.

After pertinent investigations by our authorities, testimonies by the members of the Christian group, and photographs provided by reporters who were on that voyage, it has been established that the mercenary commander that directed the abduction is the well-known criminal (Noel Boliche Quintanilla), whom we hereby formally request be arrested pending the request for his extradition that will be promptly presented by the Nicaraguan Government through the proper channels.

Once again the Nicaraguan Government reaffirms its belief and conviction that a security zone must be created on our common border, in the assurance that the distinguished Costa Rican Government, in the light of the recent developments, will pay proper attention to our proposal.

DISABLED ARRIVE IN E. BERLIN FOR MEDICAL TREATMENT

PA101530 Managua Radio Sandino in Spanish 0000 GMT 9 Aug 85

[Text] Berlin, GDR -- Forty-five seriously wounded Nicaraguans today arrived in East Berlin to receive medical treatment in the GDR. They are mostly disabled men and women whose legs or arms have been amputated and who will be hospitalized in East Berlin, [names indistinct] and the [name indistinct] orthopedic clinic in Potsdam district, the East German news agency reported.

Since July 1979 when the Sandinist government took over in Nicaragua, approximately 300 Nicaraguan patients have gone to the GDR for rehabilitation treatment.

URUGUAYAN LEGISLATOR CRITICIZES U.S. POLICY

PA901500 Managua Domestic Service in Spanish 0300 GMT 8 Aug 85

[Text] Through its vice president, Oscar Lopez Balestra, the Uruguayan Chamber of Deputies has expressed a total rejection of the U.S. Government's aggressive policy against Nicaragua. The leader of the Uruguayan National Party said that the Sandinist people's revolution must be respected, and he reiterated the Uruguayan Government and legislature's support for the struggle of peace and the self-determination of peoples.

Lopez Balestra, who is visiting our country, is participating as a guest in the National Assembly, which is discussing the draft of the Nicaraguan constitution.

MISURA MEMBERS ACCEPTING AMNESTY BENEFITS

PA112045 Managua Radio Sandino in Spanish 1300 GMT 11 Aug 85

[Text] Over 100 men, belonging to the Miskito, Sumus, and Ramas [Misura] organization, have accepted the amnesty decreed by the revolutionary government. Lieutenant Cesar Paez, chief of the general directorate of the state security in Special Zone 1, presented two former members of Misura in Puerto Cabezas who have accepted the amnesty and will return to productive tasks. Lieutenant Paez said that those who have surrendered their weapons continue to live in their original communities. In this respect, he said that most of them are in the communities of Sandy Bay, Lapan, and (Sulpapin). The security chief at Puerto Cabezas denounced the plans of the contras to blow up economic objectives and boycott the autonomy program on the Atlantic coast. He also said the CIA is planning to infiltrate terrorist commandos in the coming weeks to murder Misura leaders working in the autonomy program and backing the cease-fire.

GOVERNMENT EXPROPRIATES FARMS FOR MILK PROJECT

PA112050 Panama City ACAN in Spanish 1750 GMT 11 Aug 85

[By Filadelfo Martinez]

[Text] Managua, 11 Aug (ACAN-EFE) -- The Nicaraguan Government has expropriated 90 private farms to promote a large-scale milk production project northwest of this capital. The decision was made public today by the opposition's daily LA PRENSA of Managua.

Commander Jaime Wheelock, head of the Nicaraguan Agricultural-Livestock Development and Agrarian Reform Ministry, Midinra, has declared the Chiltepe Peninsula, where the expropriated farms are located, "an area of agricultural development." The Chiltepe milk production project encompasses an area of 16,793 manzanas (11,755 hectares). Once the last phase is completed in the next few years, it will produce approximately 3 million liters of milk a year. At the present time, there is a large deficit of fresh milk, making it necessary for the government to import powdered milk. The milk production project will also include 2,448 head of cattle.

The ministerial notice states that those affected by the agrarian reform will receive indemnization in the form of bonds, or in any other modality established by Midinra. Government sources have said that the Chiltepe project is considered one of the 40 strategic projects that will contribute to the country's long-term economic and social development. According to estimates made by experts in the private sector, 30 percent of Nicaragua's 17 million manzanas of land (approximately 12 million hectares) are suitable for agriculture. This means that Nicaragua can make use of more than 5 million manzanas of land (3.5 million hectares) to implement one of the best agrarian reform programs in Latin America, according to the same experts.

Following the Sandinist victory in July 1979, the revolutionary regime confiscated approximately 840,000 hectares of land that belonged to the Somoza family and their close friends. According to private sector sources, the Sandinist authorities have continued to confiscate private property, and as of this date, approximately 1,750,000 hectares of land have been expropriated.

CAPTURED CONTRA PROVIDES DETAILS ON MISSION

PA100219 Managua Radio Sandino in Spanish 0000 GMT 10 Aug 85

[Text] Adolfo Medina, Joaquin Arrechavala, Domingo Camales Salazar, and Efraim Gomez were the four counterrevolutionaries presented this morning by the State Security General Directorate who were captured before they could carry out the terrorist plans in cities, and against political leaders and private sectors.

The first counterrevolutionary to make statements to the local and foreign news media was Adolfo Medina, who was trained in Honduras in the use of C4 explosives and explosive rockets. He came to Nicaragua with the mission to destroy economic objectives and to physically eliminate producers from the western part of the country following the orders of the Nicaraguan Democratic Force [FDN]. Let us listen to what he has to say:

[Begin recording] My first orders from [words indistinct] were to sabotage the military warehouses and installations, which are exactly located between Chinandega and El Viejo.

Afterwards, I was to sabotage the machinery and fuel tanks at the (Punta Nata) agricultural complex. Next, I was to use rockets to sabotage the El Picacho Airport. My orders were also to kill two leaders of the Cotton Producers Association in Chinandega. Their names are Manuel Cano (?Barret) and another called Rafael Montealegre, who is also known as (?Falfal). Our instructions were to go deep into Nicaragua and begin recruiting young people on the Cosiguina Peninsula. We were also supposed to gather information on the military units located in the Somotillo zone and Consiguina Peninsula. They wanted to know about the internal organization. Alfonso Mejia and Jose Maria Diaz, both active leaders of the Confederation for Unity of Trade Unions [CUS] also knew of the plans being carried out on the Cosiguina Peninsula and were supposed to provide economic support.

Regarding the infiltration of commands, Dennis Reyes told me that we would use the Golfo de Fonseca and another area called Torrecilla, and then send them through Estero Real, which leads to Morazan.

I also made a trip to Honduras on 4 August. There I contacted two other counterrevolutionaries: one was Raimundo Reyes and the other Virgilio Lazo. They both had instructions from Dennis Reyes, who is known there as [name indistinct]. They told me that there was a special job for me. I asked: What kind of job? They told me that I should investigate the Cosiguina Peninsula for areas where helicopters could land with the commands; it had to be an area far from military post so there would be no troops patrolling the zone.

This is all I have to say about my counterrevolutionary activities. I returned on 5 August and was arrested by the state security when I entered Nicaraguan territory. [end recording]

COSEP PRESIDENT BOLANOS DENIES TIES WITH FDN

PA100229 Panama City ACAN in Spanish 0137 GMT 10 Aug 85

[Text] Managua, 8 Aug (ACAN-EFE) -- Enrique Bolanos, president of the Higher Council of Private Enterprise (COSEP), today denied having ties "of any kind" with an insurgent Nicaraguan group. The opposition business leader denied ties with members of the Nicaraguan Democratic Force (FDN), or having received an "alleged letter" sent by top FDN leader Enrique Bermudez. A "counterrevolutionary" state security prisoner could have been the bearer of the alleged letter.

Today state security authorities presented Domingo Gamales Salazar Fornos, 31, accused of being involved in a "terrorist" plan called "Operation Flame" to destroy electric power towers. Salazar Fornos told the national and foreign press at the Interior Ministry that former Colonel Bermudez gave him a letter addressed to Bolanos, which he gave to Bolanos' nephew Patrick Bolanos. The prisoner, a merchant by trade, said that 2 days after delivering the letter addressed to Bolanos he was arrested by state security agents.

Enrique Bolanos, who held a press conference accompanied by seven members of the COSEP Board of Directors, described the accusation by state security as "another maneuver" to try to force him to leave the country. The business leader said that the Sandinist government has expropriated all of the Bolanos family -- 24 individuals -- properties in the country which is the product of 21 years of work. Bolanos presented a long list of COSEP leaders whose properties were expropriated years ago by the government. "Now it is my turn," said the president of the organization that groups six business chambers in Nicaragua.

Prisoner Salazar Fornos explained that Bermudez' letter for Bolanos was delivered on 3 August to his nephew Patrick in the presence of Patrick's wife.

Patrick, present at the press conference, admitted speaking to Salazar Fornos on the date indicated, but he explained that they discussed the purchase of parts to repair tractors. "They have not given me any letter or document for Enrique Bolanos; therefore, I have not delivered nor do I have that letter," he said. At the press conference Patrick said that approximately 15 soldiers intercepted him yesterday as he left a farmers meeting in Managua and took him to "Chipote," a state security installation, to question him regarding the letter. He added that he was locked up at "La Chiquita," a very hot jail three blocks wide by four blocks long, from which he was taken for questioning. He said that he was latter taken from "La Chiquita" and kept naked in an air conditioned room. The state security authorities finally released him at dawn this morning and asked him to leave the country. He responded that he would continue living here and "fighting for democracy."

CHAMORRO DENOUNCES SANDINIST GOVERNMENT

PY090311 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1931 GMT 8 Aug 85

[Text] Buenos Aires, 8 Aug (NA) -- Juan Chamorro, [as received] the exiled director of the Nicaraguan newspaper LA PRENSA, today described the Sandinist government as "a dictatorship that stays in power through terror" with the support of only "20 percent of the population." In a press conference here, Chamorro, whose newspaper is under press censorship in Nicaragua, said "the largest part of the opposition (to the Sandinist government) is made up of peasants and workers."

He pointed out that the Democratic Revolutionary Alliance (ARDE) headed by Commander Zero, Eden Pastora, is made up mostly of peasants and workers. Chamorro pointed out that during the Anastasio Somoza administration Nicaragua exported goods worth approximately \$1 billion and it is now exporting goods worth only about \$300 million.

Chamorro explained that he lives in exile because of the "censorship imposed on LA PRENSA" and the educational system "imposed in the schools where they teach children how to think and not to think."

Regarding the educational system, he gave as an example that at the primary educational level children are "taught to add with pictures of rifles instead of apples," which he said "is hurting the minds of children."

Regarding press censorship Chamorro said he was forced to remain in San Jose, Costa Rica, where his family lives, and where he publishes the weekly political magazine NICARAGUA HOY opposing "the Marxist-Sandinist regime." Chamorro will remain in Argentina 3 days to meet with local publishers and to lecture on the Sandinist revolution.

Asked if the election last November in Nicaragua were clean or fraudulent, Chamorro said that in order for the elections to be labeled, they would have had to take place in a democratic government, which is something "that did not happen." Chamorro said that "under the Sandinist dictatorship it is impossible to say if the elections were clean or fraudulent."

He also said that the Somoza government did not benefit from the death of his (Chamorro's) father but that "the Sandinist National Liberation Front did benefit."

Chamorro criticized the Sandinist National Liberation Front for doing nothing to investigate his father's death. He said that "in 1982 he was informed that one of the murderers was released in 1979 by an amnesty, that the man is living in Costa Rica," and that "the government did not carry out any formal investigation."

He also said that "two preachers of the church prefer to be ministers of the Sandinist government instead of being ministers of faith" in reference to Foreign Minister Miguel D'Escoto and Culture Minister Ernesto Cardenal. He said "it is in the church where the opposition can clearly be seen" giving as an example the attitude of Monsignor Obvando who opposes the regime.

Asked about respect for human rights in his country, Chamorro said that "I know there are rapes, torture, and death" but he could not confirm the charges made by the president of the Nicaraguan Human Rights Commission about the existence of 8,000 missing and dead. However, he pointed out that "according to statements from witnesses, I can assert that there is torture and violations of the freedom of education and culture."

EXILE GROUP TO PRESENT PROPOSAL TO CONTADORA

PA100054 Paris AFP in Spanish 1943 GMT 9 Aug 85

[Text] San Jose, 9 Aug (AFP) -- The Southern Opposition Bloc (BOS), made up of six Nicaraguan organizations in exile, will present a proposal on their country's situation to the Contadora Group next week. BOS leader Alfredo Cesar told AFP today that next week the bloc's Executive Committee will visit Panama, Venezuela, and Colombia, which are members of the Contadora Group, to present the proposal.

He said that the proposal touches on three topics: a dialogue between the Nicaraguan opposition and the FSLN, talks between Managua and its Central American neighbors, and a dialogue between the United States and Nicaragua. Cesar refused to give details on the content of the proposal saying that it will be revealed during a press conference next Monday in Panama.

He explained that "due strictly to itinerary problems," we will not travel to Mexico -- the other Contadora Group member -- but the government of that country will receive the proposal via diplomatic channels.

Cesar also announced that in September the bloc will explain its stand on the three points to the U.S. Government, other Central American countries, and some European countries. The Executive Committee of the bloc, whose strongest members are the Democratic Revolutionary Alliance (ARDE), headed by Eden Pastora, and Cesar's Nicaraguan National Rescue and Conciliation Movement, is made up of Alvaro Jerez, Bayardo Lopez, Adolfo Chamorro, Jose Davila, and Alfredo Cesar.

FAR MEMBERS, OTHERS CONDEMN SR-71 'VIOLATION'

FL121243 Havana Domestic Service in Spanish 1100 GMT 12 Aug 85

[Text] FAR members have condemned the violation of Cuban airspace by a SR-71 aircraft, reiterating their position of disapproving any enemy attack during a meeting held at a national air unit. All work and student centers of the country continue to condemn that provocation, and the decision to defend national territory was made evident in case of a possible imperialist aggression.

CASTRO OFFERS ANTI-IMPERIALISM SUPPORT TO GARCIA

PA122310 Havana GRANMA in Spanish 4 Aug 85 p 4

[Note sent by President Fidel Castro Ruz to Peruvian President Alan Garcia; date not given]

[Text] His Excellency Mr Alan Garcia Perez,

President of the Republic of Peru

On the occasion of your investiture as president of the Republic of Peru, to which we are linked by indelible historical bonds, I hereby fulfill my duty of extending to Your Excellency, on behalf of the Cuban people and government, best wishes for the success of your administration.

Peru is one of the Latin American countries with the highest rates of illiteracy, infant mortality, poor sanitation and lack of medical attention, malnutrition, unemployment, depressed populations in the country and the cities, social inequality and all kinds of poverty, despite its immense natural resources, and the hard-working and self-sacrificing spirit of its people.

Should you really decide to struggle in a serious, firm and consistent manner against this Dantesque tableau of social calamities and to liberate your fatherland, as you have promised in public, from domination by and dependence on imperialism, the sole cause of this tragedy, you can count on Cuban support.

With my highest esteem, I remain, Yours faithfully,

Fidel Castro Ruz

URUGUAY 'POLEMICS' CLOUD MANUEVERS WITH U.S.

PA121538 Havana International Service in Spanish 0000 GMT 10 Aug 85

[Report by Julian Gonzalez, PRENSA LATINA correspondent in Montevideo, Uruguay -- recorded]

[Text] The "UNITAS" operation that is scheduled to take place in September with the participation of the Brazilian, Uruguayan, and U.S. navies is provoking intense polemics in Uruguay. Both the Broad Front and the National Party have decided not to approve the government's request for parliament to authorize the participation of the Uruguayan Navy in these operations, which are carried out every year along the Uruguayan and Brazilian coasts.

As a result of this, "UNITAS 26," which has already had to do without Argentine participation as a result of the U.S. attitude during the Malvinas Islands war when the United States backed Great Britain, apparently will also have to do without the Uruguayan Navy.

The 1985 "UNITAS" joint naval maneuvers were to include the landing of troops, including U.S. Marines, on the coasts of Maldonado Department, east of Montevideo. Both the Broad Front and the National Party have publicly stated their position on the landing of foreign troops in Uruguayan territory calling it an action that harms our sovereignty at a moment when there is a real threat of a U.S. invasion of continental territory in the Central American area. The Broad Front and the National Party, which have a congressional majority counting the legislators from both parties, have spoken against the participation of Uruguayan forces in joint naval maneuvers with the United States.

The polemics are on. There is no information on what the reaction of the government and the Armed Forces will be if parliament eventually rejects their request for authority for the Uruguayan Navy to participate in the 1985 "UNITAS" joint naval maneuvers. A rejection would surely be a new blow to the Reagan administration's warmongering policy in Central America and, perhaps, a new element of tension with the Uruguayan Armed Forces which are adapting to the country's new democratic reality with difficulty.

ALMEIDA MEETS WITH GUYANA'S HOYTE, GREEN

FL122204 Havana Domestic Service in Spanish 1802 GMT 12 Aug 85

[Text] Juan Almeida, member of the Politburo of the Communist Party of Cuba, PCC, has met with Guyana's Prime Minister Hamilton Green in Georgetown. The two leaders discussed themes of mutual interest and issues related to the international and regional situations. In reference to bilateral relations, Almeida and Green reaffirmed the will of their respective governments and people to continue strengthening the bonds of cooperation and friendship that exists between Cuba and Guyana. The Cuban vice president made a brief courtesy visit to Guyana's new president, Desmond Hoyte.

The high-level Cuban delegation headed by Almeida arrived in Georgetown last Saturday to pay tribute to the deceased Guyanese statesman and great friend of Cuba, Forbes Burnham, who was buried yesterday afternoon. Almeida and the officials that accompany him will return to Cuba.

COOPERATION AGREEMENT SIGNED WITH ANGOLAN BRIGADE

FL101920 Havana Domestic Service in Spanish 1804 GMT 10 Aug 85

[Text] A cooperation agreement and exchange of experiences between the Committees for the Defense of the Revolution [CDR] and the (People's Vigilance Brigade) of Angola was signed today in Havana. Alfonso Hodge, CDR vice coordinator, signed the agreement for Cuba. Evaristo Domingos, member of the Politburo of the Popular Movement for the Liberation of Angola-Labor Party, MPLA, and minister of the provincial coordination of agriculture, signed for Angola.

The agreement covers the knowledge and work experiences of the two people's organizations and of the respective countries. Also present were representatives from the Diplomatic Mission of Africa in Cuba.

CULTURAL EXCHANGE PACT SIGNED WITH ALGERIA

FL131307 Havana Domestic Service in Spanish 1100 GMT 13 Aug 85

[Text] Art, films, middle education, information, and youth and sports are some aspects included in the cultural exchange program signed in Havana between Cuba and Algeria for the years 1985-86.

Giraldo Mazola, Cuban foreign vice minister; and Hucine Zatout, ambassador from the Democratic and Popular Republic of Algeria to Cuba, signed the document for their respective countries.

RAUL CASTRO CONGRATULATES FAR UNIT ON EVALUATION

FL121618 Havana Television Service in Spanish 0000 GMT 11 Aug 85

[Brief remarks by Army General Raul Castro at the conclusion of the Third Party Congress FAR military maneuvers held in Camaguey Province, date unknown -- recorded]

[Text] This maneuver has also played an important role in the combative cohesion process of a unit which was formed last April.

In the name of all guests accompanying me this afternoon. I congratulate you from the bottom of my heart for having obtained an outstanding evaluation. [applause]

DISSIDENT RICARDO BOFILL REPORTEDLY RELEASED

PA121534 Paris AFP in Spanish 1509 GMT 12 Aug 85

[Text] Madrid, 12 Aug (AFP) -- Ricardo Bofill, a Cuban dissident who had been in prison in Cuba since 24 September 1983, was released this past Thursday, Cuban writer Armando Valladares today told AFP in Madrid.

Valladares said that Ricardo Bofill this past Saturday told his wife, who is in Miami, Florida, about this release.

Valladares, who lives in Madrid after having spent some 20 years in a Cuban prison, today talked by telephone with Maria Elena Bofill, Ricardo Bofill's wife.

AIRPORT UNDER CONSTRUCTION IN CIEGO DE AVILA

FL101800 Havana Television Service in Spanish 1700 GMT 10 Aug 85

[Text] A new national airport is being constructed in Ciego de Avila. The workers' goal is to finish the airport by December. Among the 19 work goals to be completed are the construction of the terminal, transformer substations, elevated tank, water cistern, interior access, parking, and runway. The Ciego de Avila terminal, 25 km north of Havana, is being constructed by the architectural-engineering groups of the Integral Construction Business #1. Initially, the runway will be 2,400 meters long. Later it will be prepared to receive international flights.

EEC COMMISSION GRANTS FINANCIAL AID DURING TOUR

FL130100 Bridgetown CANA in English 0010 GMT 13 Aug 85

[Text] Bridgetown, Barbados, Aug 12, CANA -- A high-level European Economic Community (EEC) aid programming mission to the (?Windward) by Deputy Director General of Development Michael Hauswirth has left the Caribbean, having completed successful discussions with the Governments of Grenada, St Lucia, Dominica, and St Vincent and the Grenadines, the EEC office here announced today. EEC commission delegate to Barbados and the Eastern Caribbean Joannes Ter Haar said that during the two-week mission, detailed discussions were held with the prime ministers, ministers, and senior officials of the four countries.

Financial allocations totalling 35 million dollars (one BDS dollar; 50 cents US) virtually all in the form of grants, have been allocated to these four countries under the Third Lome Trade and Aid Convention linking the EEC with developing states in Africa, the Caribbean, and Pacific (ACP), the EEC said.

These allocations do not include additional resources which may be allocated during the Lome III Convention by way of non-programmable European Development Fund (EDF) resources managed by the EEC commission, nor any other contributions designed to attain the priority development objectives of each of the governments, the EEC added. Such resources could include allocations from the stabilisation of export earnings system, food aid, and emergency aid, the statement said.

The statement said the new EEC funds will be used for a variety of development programmes, including rural and agricultural schemes, tourism, development of medical facilities, feeder road programmes, and training and technical assistance.

During its stay in each of the countries, the EEC team also visited projects already financed by the EEC in the past, including the Kingstown Hospital, the West Coast Road, and a livestock development project in St Vincent and the Grenadines. The Europeans also had a look at major road programmes and a citrus development project, and feeder roads in St Lucia.

During the mission, the EEC's deputy director general for development also discussed with the prime ministers possible areas for future regional cooperation between the European Community and the Caribbean. Hauswirth announced that a sum of BDS115 million dollars could be considered as the basis for the preparation of regional cooperation programmes for the Caribbean countries. The final orientation of such a regional programme, and its development priorities, will be discussed at a later stage, following the completion of additional missions to other Caribbean countries and detailed discussions with regional organisations, the EEC said.

DOMINICACHARLES ADDRESSES PARLIAMENT ON ECONOMY 12 AUG

FL122232 Bridgetown CANA in English 2222 GMT 12 Aug 85

[Text] Roseau, Dominica, Aug 12, CANA -- Dominica Prime Minister Eugenia Charles today presented an EC153.1 million dollar (one EC doll; 37 cents US) budget here that included a mixture of tax relief, new levies, and incentives to domestic savings.

In her 95-minute presentation to parliament, Miss Charles announced five million dollars in personal income tax concessions, nearly eight million dollars in new customs charges, lower consumption taxes on a range of food items, and an increase by 1.5 percent in interest rates on savings deposits.

It was a budget she said aimed at stimulating growth, continuing governments's policy of gradual income redistribution, accelerating expansion of domestic savings, and controlling demand for imported luxuries.

Miss Charles, who is also minister of finance, announced that with effect from January next year, the personal allowance for income tax purposes will be increased from EC900 dollars to 1200 dollars per annum and that child allowances from 400 to 600 EC dollars. There will also be changes in the rates of tax on chargeable income to reflect an ease among the lower and middle income earners, she told parliament.

Miss Charles abolished a 10-percent travel tax imposed three years ago and instead increased the airport departure tax by nearly 100 percent. She also abolished estate duty tax and increased, retroactive to January this year, the interest rates on savings deposits from 2.5 percent to four percent. A one percent bank deposits levy has also been done away with in respect of savings only. Government's foreign exchange levy has been modified to remove the levy for trade transactions and to restrict its applicability to non-trade transactions. The net loss to government of these changes has been estimated at EC1.3 million dollars, Miss Charles told parliament.

Also abolished is the so-called package tax on imports, which Miss Charles said would be replaced by another revenue measure to be announced later. The estimated loss on this measure is EC 1.1 million dollars.

Prime Minister Charles announced increased taxation on petroleum products, raised the stamp duty on domestic sales and hiked airport landing fees, a new schedule for which is to be taken to parliament later. Landing fees were last revised in 1981.

Miss Charles said that to partially compensate for the revenue lost in the tax concessions -- 2.5 million dollars in the current financial year and five million dollars in the next fiscal year -- corporation tax would go up from 40 to 45 per cent. The yield is expected to be half a million dollars. The biggest single revenue earning measure announced was a customs service charge of five percent on CIF (cost-insurance-freight) values on all, virtually all, imports netting 7.8 million dollars.

Miss Charles said that as a further measure to control demand and induce domestic savings, a stamp duty at the rate of five percent on nearly all goods has been added, yielding an additional five million yearly. She however announced a five percent reduction in consumption tax on commodities such as milk, rice, flour, and raw sugar and said that consumption tax on locally manufactured products will be at a flat rate of 10 percent. Miss Charles said that to offset this revenue loss her government has decided to increase the rates of consumption tax on alcoholic drinks and tobacco, resulting in an increase revenue earning of 430,000 dollars.

Reviews Development, Growth

FL130044 Bridgetown CANA in English 2248 GMT 12 Aug 85

[Text] Roseau, Dominica, Aug 12, CANA -- Dominica recorded an average six percent growth annually in its Gross Domestic Product (GDP) over the past five years and its balance of payments deficit was reduced by nearly 50 percent, Prime Minister Eugenia Charles told parliament here today.

Addressing the first sitting of the house since July 1 general elections, Miss Charles said the island's balance of payment deficit stood at EC 20.79 million dollars in 1984, compared with 40.23 million in 1980. She said the recurrent budget deficit which stood at 17.3 million dollars in 1980-81 was virtually eliminated by 1983-84 and a small surplus of 400,000 dollars was actually achieved in the last financial year.

The public investment programme financed mainly from grants and concessionary foreign borrowing increased from 24.6 million dollars in 1980-81 to 51.6 million in 1984-85, as compared to 10.9 million in 1978-79 she said.

Prime Minister Charles said that throughout the 1970s and 1980s the island carried a deficit on its recurrent budget, and that a three year International Monetary Fund (IMF) agreement for EC37 million dollars had been instrumental in eliminating that deficit.

The rise in the cost of living as measured by the consumer price index had declined to 2.2 percent last year from 30.5 percent in 1980, Miss Charles said, adding that her administration had also been able to curb high wage demands, and reduce unemployment from 23 percent in the 1980 period to 13 percent by 1984.

Miss Charles said the public sector was responsible for the positive growth in the GDP over the past years. We have achieved some measure of success in the management of the public finances, she said.

In terms of sectoral contributions, agriculture accounted for 29.8 million of a total GDP of 102 million dollars in 1983, said Miss Charles, increasing to 31.78 million dollars in 1984.

Miss Charles said that while the agricultural sector has not yet regained the economic strength of 1978, it remained of considerable economic significance in terms of its contribution to gross domestic product, exports and employment. In 1981 it contributed 60 percent of total employment, 30 percent in 1984, and 53 percent of exports in 1984, according to official figures.

The contribution of the manufacturing sector to GDP rose from five million dollars in 1978 to 8.3 million in 1983, representing a 39 percent increase, Prime Minister Charles said, adding that the sector has expanded on the basis of processing local natural resources and agricultural products, as well as the establishment of enclave type light industries.

Tourism also showed good signs of improvement over the past year, following a post-1979 slump. There had been marked increases in stay-over tourists compensating for the loss in cruise ship tourists and excursionists. Miss Charles said that this favourable picture also manifested itself in the increased contribution of the hotels and restaurant sub-sector in the Gross Domestic Product.

Bananas, the mainstay of the Dominican economy, suffered during 1983-84 despite an increase in production by 11 percent. There was a reduction in earnings due to the price fluctuation on the open financial market linked mainly to the behaviour of sterling against the US dollar, to which the EC currency is tied. The price per metric tonne declined from EC1,035 dollars in 1983 to EC920 dollars in 1984. The value of soap exports fell by 45 percent, while the price per metric tonne increased by six percent from EC3,353 dollars to 3,573 dollars, Miss Charles said. The overall result of these two changes was a reduction in export earnings, she said.

Comments on Loan Ineligibility

FL130048 Bridgetown CANA in English 2300 GMT 12 Aug 85

[Text] Roseau, Dominica, Aug 12, CANA -- Dominica's Prime Minister Eugenia Charles today described as most disturbing a decision by the World Bank to declare the 289-square mile Caribbean island ineligible for borrowing from its soft loan window, the International Development Association (IDA). The move she said could adversely affect the island's economic development drive over the next few years.

Prime Minister and Minister of Finance Eugenia Charles said the World Bank had placed Dominica and the other member states of the Organisation of Eastern Caribbean States (OECS) into that category without consultation.

This comes at a time when we are most in need of concessional aid to support the structural changes that we have been trying so hard to make, she told parliament. We find it most disturbing, declared the Caribbean lone woman prime minister, explaining that it had caused adverse spinoffs. Already she said a number of donor countries and international institutions had declared the OECS countries ineligible for concessional aid.

The irony of the situation is that while the OECS countries are being forced out of the low-income group eligible for concessional aid, they are being considered not credit worthy for non-concessional loans, Miss Charles told parliament. Miss Charles said the OECS countries had made direct representation to the World Bank on the issue and had been assured that the decision to graduate them is being reviewed and proposals were now being examined for introducing special facilities to satisfy the needs of lower middle income countries like Dominica.

The Dominica leader was however consoled by the fact that our traditional donors and many of our friends, too, have given us the assurance that they will continue their programme of aid with us in some cases at higher levels.

JAMAICASEAGA ANNOUNCES PROGRAM TO LEASE STATE LANDS

FL091812 Bridgetown CANA in English 1658 GMT 9 Aug 85

[Text] Kingston, Jamaica, Aug 9, CANA -- The Jamaica Government is making almost 100,000 acres of land available to businessmen and small farmers. Divestment of state farms was given a boost yesterday when Prime Minister Edward Seaga announced plans for the long term lease of 36,000 acres of land to businessmen for agricultural production and another 60,000 acres for sale to small farmers.

Seaga urged manufacturers at a meeting yesterday to diversify their operations and become involved in agriculture. He said government was trying to make state lands which are under-utilized more available to the private sector. Under the plan, private sector companies will be able to lease lands for a 49-year period for agricultural production. Land will be available in lots of 200 to 4,000 acres.

The government's divestment programme, according to Seaga, is part of the wider plan for the development of a self-sufficiency programme in food. In the case of rice, he said that by 1990 the country will be able to produce 73 per cent of its need. Presently, 100,000 short tons of rice are imported.

HOYTE: NO 'FUNDAMENTAL' POLICY CHANGES EXPECTED

FL122000 Bridgetown CANA in English 1948 GMT 12 Aug 85

[By Rickey Singh]

[Text] Georgetown, Guyana, Aug 12, CANA -- Guyanese leaders today ruled out the possibility of major policy changes following the death of former President Forbes Burnham. They also scoffed at speculation here of a leadership squabble in the ruling Peoples National Congress (PNC).

During a new conference, President Desmond Hoyte said he did not anticipate any fundamental changes either in domestic or in foreign policy because of Burnham's death. He said Burnham's passing, last August 6 after throat surgery, signalled a change in presidents, not a change in government.

Both Hoyte and Prime Minister Hamilton Green, interviewed later by CANA, said they were committed to advancing the policies and strategies of the late president. Hoyte said that while these were articulated by Burnham as the charismatic and maximum leader, they constituted the collective wisdom of those who make the decisions within the party and the government.

Hoyte also said that plans for new general elections for a 53-member parliament and also for the presidency will go ahead as provided for in the country's republican Constitution -- which means that they must be held not later than next March 31.

The two leaders also admitted that the PNC planned to continue moves for high-level cooperation talks with its main rival, the Marxist People's Progressive Party (PPP), headed by former Guyana Premier Cheddit Jagan.

Following the sudden death of Burnham there had been growing speculation here and abroad of a possible leadership squabble within the ruling party, involving Green, Hoyte, and Burnham's widow Viola, head of the powerful Women's Revolutionary Socialist Movement (WRSB). There was also speculation of a possible shift away from the government's socialist thrust in domestic affairs and also in its foreign policy objectives.

But Green, who took over the prime ministership when Hoyte moved into the presidency, told CANA: I wish to make it clear that there is no personal hostility between myself and comrade Desmond Hoyte. I have pledged my support to him as the new president. I am committed to maintaining the unity of the party and to continue working faithfully to maintain the fundamental policies and programmes of our late, great comrade leader.

He said he had no intention of working to bring about leadership changes within the party and that Mrs Burnham, a most intelligent comrade, who has tremendous influence within the party, could be assured of my own support should she wish to become one of the vice presidents.

Commenting on speculation about a policy shift, he said that so far as he was personally concerned there would be no significant changes because of the death of Burnham. I am personally a socialist and I will work to advance the socialist objectives of our party and government, he remarked. Whatever changes there may be in terms of policies would have to derive directly from the popular will of the people.

Both Hoyte and Green said they would abide by the wishes of the next congress of the ruling party, which begins on August 18 and at which last week's decision of the party's powerful policy-making central committee to elect Hoyte as the new party leader must be ratified.

The congress will also deliberate on the government's economic policies, which its critics say are largely responsible for many of the country's social and economic ills.

At today's press conference, during which he was flanked by Foreign Minister Rashleigh Jackson and Information Minister Yvonne Harewood-Bens, President Hoyte scoffed at press reports that he was suffering from poor health and had diabetes and that there was animosity between himself and Green. He said the government derived its power from the party within the context of paramountcy of the party and that his own commitment was to the party and the country.

Burnham's embalmed body was buried in the Botanical Gardens, Georgetown, yesterday as Guyanese and delegations from nearly 50 countries watched. The exodus of the foreign delegations was well under way by this afternoon.

FOREIGN DIGNITARIES ATTEND BURNHAM FUNERAL

FL121430 Bridgetown CANA in English 0111 GMT 12 Aug 85

[By Rickey Singh]

[Text] Georgetown, Guyana, Aug 11, CANA -- Guyana's first executive President Forbes Burnham, hailed the nation's greatest hero by his successor Desmond Hoyte, was buried here today with full national honours. Eulogising the deceased 62-year-old leader before thousands of Guyanese and foreign dignitaries at an open air service in the Georgetown National Park, Hoyte said the country would be eternally grateful for the masterbuilder it had in the late president.

Burnham was Guyana's greatest hero whose life had touched the lives of each and everyone of us, the country's new president said in his emotional tribute. He was a good teacher and we are committed to advancing the (socialist) goals he set for the nation, Hoyte declared.

Burnham, an eloquent British-trained lawyer who ruled this English-speaking South American nation for the past 21 years, died last Tuesday of heart failure while undergoing throat surgery. The cedar casket containing his embalmed body was interred in a glass-topped chamber at the Place of the Seven Ponds, a special burial site for national heroes inside Georgetown's scenic Botanical Gardens.

Forty seven countries sent official delegations to the state funeral, but just two of Burnham's Caribbean Community (Caricom) heads of government colleagues -- Barbados' Prime Minister Bernard St John and St Lucia's Prime Minister John Compton -- attended. Bahamas was represented by its Governor-General Sir Gerald Cash.

Otherwise, with the exception of Dominica and Grenada which were not officially represented, the delegations of other Caricom states were led by senior government ministers.

In another eulogy at the burial site, longtime Burnham aide and former Prime Minister Dr Ptolemy said leaders like Burnham came to a nation once in a lifetime.

Reid, deputy political leader of the ruling People's National Congress (PNC), told mourning Guyanese that the best tribute they could pay Burnham was to erase malice and confusion out of their lives and help to consolidate the gains of the socialist revolution he had started.

PNC general secretary and one of the country's four vice-presidents Ranji Chandisingh described Burnham as the guiding star of the party and the nation.

The funeral cortege made a winding six mile journey through the streets of Georgetown passing by Burnham's early place of residence, the present and former headquarters of the PNC, parliament buildings, and his official Georgetown home. The procession included a mounted escort, massed bands, Army detachments and other uniformed groups.

Government sources tonight said foreign delegations would begin leaving from early tomorrow. Some delegates met with President Hoyte and paid respects to Burnham's widow, Viola.

High-level delegations came from Cuba and Nicaragua, led by their Commander of the Revolutions Juan Almeida (Cuba) and Carlos Nunez Tellez (Nicaragua). There was an eight-member delegation from the Soviet Union led by Deputy President of the Presidium Y. Vagris. In his last two years, Burnham cultivated closer ties with Soviet bloc countries.

The United States delegation was led by Elliott Abrams, assistant secretary of state for inter-American affairs. Brazil, Venezuela, and Suriname, which all share borders with Guyana, also sent delegations.